

NATOMAS UNIFIED SCHOOL DISTRICT

**MEASURES M & D
PERFORMANCE AUDIT
PERIOD ENDED JUNE 30, 2008**



**TOTAL SCHOOL SOLUTIONS
4751 MANGELS BOULEVARD
FAIRFIELD, CA 94534**

Natomas Unified School District

BOARD OF EDUCATION

June 30, 2008

Ron Dwyer-Voss	President
B. Teri Burns	Vice President
Lisa Kaplan	Clerk
Jennifer Baker	Member
Susan Heredia	Member

ADMINISTRATION

Dr. Steve Farrar, Superintendent

John H. Christ, Assistant Superintendent, Business Services

Michael Cannon, Assistant Superintendent, Facilities and Planning

TABLE OF CONTENTS

INTRODUCTION.....	1
EXECUTIVE SUMMARY	2
INDEPENDENT PERFORMANCE AUDITOR’S REPORT	4
COMPLIANCE WITH BALLOT LANGUAGE.....	5
DISTRICT FACILITIES PROGRAM.....	7
FACILITIES PROGRAM HISTORY/STATUS	10
COMPLIANCE WITH STATE LAW, GUIDELINES, DISTRICT POLICY AND FUNDING FORMULAS.....	24
CITIZENS’ BOND OVERSIGHT COMMITTEE (CBOC)	30
STATE SCHOOL FACILITY PROGRAM.....	31
COMPLIANCE WITH BOND PROGRAM PROVISIONS AND RESTRICTIONS	33
DESIGN AND CONSTRUCTION SCHEDULES AND BUDGETS	35
CHANGE ORDERS, CLAIM PROCEDURES, AND RESULTS	41
PAYMENT PROCEDURES.....	50
BEST PRACTICES IN BIDDING AND PROCUREMENT.....	53
EFFECTIVENESS OF THE PUBLIC OUTREACH PROGRAM	60
EFFECTIVENESS OF COMMUNICATION CHANNELS AMONG STAKEHOLDERS WITHIN THE BOND PROGRAM.....	62
APPENDIX A	64
BOND MEASURE M RESOLUTION AND TEXT	64
APPENDIX B	73
BOND MEASURE D RESOLUTION AND TEXT.....	73
APPENDIX C	82
CITIZENS’ OVERSIGHT COMMITTEE	82
APPENDIX D	85
GLOSSARY OF TERMS AND ACRONYMS.....	85

INTRODUCTION

On November 5, 2002, the Natomas Unified School District (the “District”) submitted for voter approval Measure M, a bond measure to authorize the sale of \$45.88 million in bonds to improve school facilities. This measure was submitted to voters under the terms and conditions of Proposition 39 (Article XIII of the California State Constitution), which requires a 55 percent affirmative vote for passage. Measure M passed with 72.4 percent.

On June 6, 2006, the District submitted for voter approval Measure D, a bond measure to authorize the sale of \$145.5 million in bonds to improve school facilities. This measure was submitted to voters under the terms and conditions of Proposition 39 (Article XIII of the California State Constitution), which requires a 55 percent affirmative vote for passage. Measure D passed with 62.0 percent.

Because Measures M and D passed pursuant to Proposition 39, the District was required to establish a citizens’ oversight committee and to conduct two independent audits. The first audit is a financial audit similar to a District’s annual financial audit. The second audit is a performance audit, which evaluates the effectiveness, economy and efficiencies of the bond facilities program.

The District engaged Total School Solutions (TSS) to conduct the annual independent performance audit for Measures M and D and report findings to the Board of Education and the independent Citizens’ Bond Oversight Committee. This report is the annual performance audit of the Natomas Unified School District’s bond-funded facilities program from July 1, 2007, through June 30, 2008.

Besides ensuring that the District uses bond proceeds in conformance with the provisions and restrictions listed in the Measures M and D ballot language, the scope of this examination includes a review of design and construction schedules and cost budgets; change orders and claim procedures; compliance with law, District policies, and guidelines on facilities and procurement; payment procedures; the effectiveness of the public outreach program; communication channels among the stakeholders; and other facilities-related areas.

In accordance with the California State Constitution, the District intends to have a performance audit completed annually until all Measures M and D funds have been expended. These reports are designed to meet the requirements of Article XIII of the California State Constitution; to inform the community of the appropriate use of funds generated through the sale of bonds authorized by Measures M and D; and to help the District improve its overall bond program.

EXECUTIVE SUMMARY

This performance audit, conducted by Total School Solutions (TSS), is the annual audit of the \$45.88 million Measure M and \$145.5 million Measure D bond program for the period July 1, 2007 through June 30, 2008.

TSS, in conducting the audit, reviewed numerous documents produced by District staff and consultants and interviewed persons involved in the bond program. Representations made by District staff and consultants were used, where appropriate, to make assessments and formalize conclusions, which are documented in this report. Each audit component was evaluated separately and collectively based on the materiality of each activity and its impact on the total bond program.

It is noteworthy that the District as of June 30, 2008, had received \$124.6 million from the State for new construction, modernization, rehabilitation and joint use projects, including projects funded prior to the passage of Measures M and D. As of June 30, 2008, \$121.6 million remained unspent in the Building Fund (bond proceeds) and Other Capital Outlay Funds (state, developer fees, deferred maintenance, special reserve), and \$30 million of Measure D bonds had not yet been sold.

A fourteen-member Citizens' Bond Oversight Committee (CBOC) was appointed by the Board in March 2006, to provide oversight of the Measures M and D bond program, as required by law. The Committee held three meetings during the 2007-08 fiscal year to review facilities projects. A CBOC website, as required by law, exists, and pertinent information is provided, including bylaws, meeting agendas/minutes, facilities projects updates and performance audits.

The District has used a number of project delivery methods in its facilities construction program, including Design-Bid-Build and Lease Lease-Back. As documented in this audit report, while the concepts are sound, the District experienced problems with costs for the H. Allen Hight Learning Center project, resulting in a total project cost of about \$490 per square foot. The audit report notes that the change in District facilities program leadership and management (see detail below) should result in significantly improved processes for the current and future projects.

The performance audit identified commendations to the District for various aspects of its facilities program, including:

- The District internally reviews contractor certified payrolls to ensure that its construction projects comply with the Prevailing Wage Law and, if required, the SAB Labor Compliance Program.
- CBOC members actively investigate and prepare a post-construction review report on Measures M and D projects. Reports are prepared that include a summary of the project, a site inspection, and an inspection of District project records. This commitment of time by CBOC members goes beyond the normally expected level of effort by a committee member.
- The District aggressively pursues, and receives, state facilities funds by utilizing various programs available under the School Facility program.

- Improvement in leadership and management ability has been observed with the new leadership of the Facilities and Planning Department. A good example of this change is the process underway to complete a comprehensive facilities master plan. Coordination with consultants has improved and the relationships with local and State agencies has improved.
- District staff is commended for its accounting records. The system organizes expenditures by fund, project and site, enabling easily generated reports that provide specific information as needed.
- Staff is conscientious in checking all required approvals. The payments are organized and back-up documentation is complete.

The above commendations outline practices by District staff, CBOC members and management that, in TSS's opinion, exceed normal practices in place in many California school districts.

Numerous observations about the District's facilities program are also included in this performance audit report. Those observations are intended to clarify certain aspects of the facilities program or express concerns that do not rise to the level of a finding.

The performance audit identified certain findings regarding noted deficiencies and non-compliance issues including failure to properly bid one project. The specific findings were the following:

- Contrary to District Policies, Administrative Regulations and Public Contract Code, the District did not formally advertise for the invitation to bidders in a paper of public record for Natomas and Inderkum High School Track and Field Renovation project. The District provided the notice to bidders through six different builders' exchanges and followed up with perspective bidders for the Track and Field Project. The District obtained five bids for the project, which is considered a sufficient bid pool. Public Contract Code requires all public work projects exceeding \$15,000 to be formally advertised on two separate occasions, seven days apart with at least fourteen days between the first bid publication and the bid opening date as required by law.

Recommendations to clarify or correct internal procedures have been made by TSS. Those recommendations can be found throughout the report.

It is important that strong systems and procedures be in place and understood by all participants in the Measures M and D bond process. The observations and recommendations made throughout this audit report will hopefully help to strengthen those systems and procedures.

It should be noted that this work has been performed to meet the requirements of a performance audit in accordance with Article XIII of the Constitution of the State of California. Any known significant weaknesses and substantial noncompliance items have been reported to the District's management. This performance audit is not a fraud audit, which would be much wider in scope and more significant in nature than this examination.

The readers of this report are encouraged to review the report of the independent financial auditors in conjunction with this report before forming opinions and drawing conclusions about the overall operations of the bond program.

INDEPENDENT PERFORMANCE AUDITOR'S REPORT

We have conducted a performance audit of the Measures M and D bond program of the Natomas Unified School District, as of and for the fiscal year ended June 30, 2008. The information provided herein is the responsibility of the District's management. Total School Solutions responsibility is to express an opinion on the pertinent issues included in the scope of this performance audit.

In our opinion, Measure M funds are being expended in accordance with Resolution No. 02-28 passed by the Board of Education on July 17, 2002. It is also our opinion that, for the period ending June 30, 2008, the expenditures of the funds generated through Measure M bonds were only for the projects listed in Appendix A, Exhibit A in this report. We have also determined that the representations made to the public regarding state funds were true and reasonable and complied with the best practices in obtaining state funding for school facilities.

Also, in our opinion, Measure D funds are being expended in accordance with Resolution No. 06-10 passed by the Board of Education on February 8, 2006. It is also our opinion that, for the period ending June 30, 2008, the expenditures of the funds generated through Measure D bonds were only for the projects listed in Appendix B, Exhibit B, in this report. We have also determined that the representations made to the public regarding state funds were true and reasonable and complied with the best practices in obtaining state funding for school facilities.

This performance audit was conducted in accordance with the District's defined scope of a performance audit of the school facilities program. The District is also required to request and obtain an independent financial audit of Measures M and D bond funds. The financial auditor is responsible for evaluating conformance with generally accepted accounting principles and auditing standards pertinent to the financial statement. The financial auditor also evaluates and expresses an opinion on such matters as the District's internal controls, controls over financial reporting, and its compliance with laws and regulations. Our opinion and accompanying report should be read in conjunction with the independent financial auditor's report when considering the results of our performance audit and forming opinions about the District's bond program.

This report is intended solely for the use of the management, the Board of Education, and the independent Citizens' Bond Oversight Committee of the Natomas Unified School District, which have taken responsibility for the sufficiency of the scope of work deemed appropriate for this performance audit.

Total School Solutions

December 15, 2008

COMPLIANCE WITH BALLOT LANGUAGE

On July 17, 2002, the Board of Education of the Natomas Unified School District approved the placement of a \$45.88 million bond measure (Measure M) on the November 5, 2002, ballot with the adoption of Resolution No. 02-28.

The full text of the ballot measure is presented in Appendix A. The following excerpt is abbreviated language of the bond proposition as it appears in the ballot:

In order to enable the Natomas Unified School District to continue providing exceptional educational opportunities, shall the District issue \$45.88 million in bonds, at interest rates within legal limits, to acquire, construct, modernize, repair, replace and equip its school facilities to meet safety and instructional needs, accommodate future growth, and create additional space for student class size reduction, additional educational programs and other needs, subject to oversight by an independent citizens' committee as legally required?

Measure M, a Proposition 39 general obligation bond measure, required an affirmative vote of 55 percent of voters. The measure was passed by the voters on November 5, 2002, with 72.4 percent of the vote. As required by Proposition 39 and the State Constitution, the District established an independent citizens' oversight committee to provide the requisite oversight and commissioned annual financial and performance audits.

On February 8, 2006, the Board of Education of the Natomas Unified School District approved the placement of a \$145.5 million bond measure (Measure D) on the June 6, 2006 ballot, with the adoption of Resolution No. 06-10.

The full text of the ballot measure is presented in Appendix B. The following excerpt is abbreviated language of the bond proposition as it appears on the ballot:

To improve the quality of education throughout Natomas, shall the Natomas Unified School District provide additional classrooms, construct facilities, modernize classrooms, renovate playfields, improve access to schools for students, staff and the community, and become eligible for all additional State matching funds by issuing \$145,500,000 in bonds at an interest rate not to exceed the statutory limit, reviewed by a citizens' oversight committee, independent audits, and NO money for administrator salaries?

Measure D, a Proposition 39 general obligation bond measure, required an affirmative vote of 55 percent of voters. The measure was passed by the voters on June 6, 2006, with 62.0 percent of the vote. As required by Proposition 39 and the State Constitution, the District established an independent citizens' oversight committee to provide the requisite oversight and commissioned annual financial and performance audits.

As of June 30, 2008, the District has issued \$44,785,571 of the original Measure M bond authorization, and \$151,768,898 of the original Measure D bond authorization. Measures M and D expenditures as of June 30, 2008, were for projects within the scope of the ballot language.

TSS finds the Natomas Unified School District in compliance with Measures M and D ballot language.

DISTRICT FACILITIES PROGRAM

While the scope of the performance audit is limited to Measures M and D, it is useful to review the District's entire facilities program and other sources of funds to place the bond measures into context. In addition to Measures M and D funds, the District has received funds from Developer Fees, the state School Facilities Program, the State Deferred Maintenance Program, and various other sources.

The District funds used to account for facilities revenues and expenditures appear in the table below.

Fund	Description ¹
14	Deferred Maintenance
21	Building (Land Sales and General Obligation Bonds)
25	Capital Facilities (Developer Fees)
35	School Facilities (State Match Monies)
40	Special Reserve Fund

¹ Refer to the following tables for a detailed accounting of funds and for an explanation of the use of the funds.

The table below presents the financial summary of the District's facilities program for fiscal years 2006-07 and 2007-08. As of June 30, 2008, the District's combined facilities funds have an ending balance of \$121.6 million. For more detailed data by fund, refer to the Capital Outlay Funds tables.

Revenues and Expenditures for Facilities Program (Consolidation of Funds)

	Fiscal Year	Fiscal Year
	Ending June 30, 2007	Ending June 30, 2008
Beginning Balance	\$75,626,026	\$93,174,037
Revenues	13,450,920	41,431,749
Expenditures	56,995,029	69,183,885
Transfers – Net	1,092,120	561,342
Sources	60,000,000	55,576,125
Net Change	17,548,011	28,385,331
Ending Balance	\$93,174,037	\$121,559,368

The Building Fund (Fund 21) is used to account for the District's Measures M and D bonds as well as funds from previous bond issues and other sources such as sale of land. The cash flows for the Building Fund since the passage of Measures M and D appear in the table below.

Revenues and Expenditures for Building Fund		
Building Fund	Fiscal Year	Fiscal Year
	Ending June 30, 2007	Ending June 30, 2008
Beginning Balance	\$52,471,097	\$83,748,575
Revenues	4,125,868	5,198,032
Expenditures	2,702,663	14,388,718
Transfers – Net	(30,145,727)	(31,893,503)
Sources	60,000,000	55,576,125
Net Change	\$31,277,478	14,491,936
Ending Balance	\$83,748,575	\$98,240,511

The District's outstanding debt is presented in the table below. This table includes prior bonds, Measures M and D bond funds, certificates of participation, and capital leases.

Outstanding Debt		
Capital Debt	Fiscal Year Ending June 30, 2007	Fiscal Year Ending June 30, 2008
GO Bonds ¹	\$151,768,898	\$203,293,567
COPs ²	72,528,983	71,052,090
Capital Leases ³	1,383,937	1,210,646
Total	\$225,681,818	\$275,556,303

¹ General Obligation bond debt as of June 30, 2007, included bonds issued prior to the passage of Measures M and D, as well as bonds issued under Measures M and D, as follows:

General Obligation Bonds Prior to M and D	Outstanding
1997 Refunding	\$23,575,000
1999 Refunding	16,065,000
2001 General Obligation Bonds	6,315,000
Total Prior General Obligation Bonds	\$45,955,000
General Obligation Bonds – Measure M	Outstanding
2003 Series A	\$13,839,297
2004 Series B	30,946,274
Total General Obligation Bonds – Measure M	\$44,785,571
General Obligation Bonds – Measure D	Outstanding
2006 Series A	\$61,028,327
Total General Obligation Bonds – June 30, 2007	\$151,768,898

General Obligation bond debt as of June 30, 2008, totaled \$203,293,567, and included a second issue of bonds under Measure D for \$55,576,125, less principal payments on prior bond sales.

The General Obligation bond status as of June 30, 2008, is the following:

General Obligation Bond Status	Measure M (November 11, 2002)	Measure D (June 6, 2006)
Authorized	\$45,880,000	\$145,500,000
Bond Sales	15,295,000	60,000,000
	(2003 Series A)	(2006 Series A)
	30,584,687	55,576,125
	(2004 Series B)	(2008 Series B)
Total Sales	\$45,879,687	\$115,576,125
Remaining Authorization	-0-	\$29,923,875

²Certificates of Participation (COPs) are loans, not a source of revenue.

³Capital leases are payments of capital outlay expenditures, such as portables, which provide for title to pass to the District upon expiration of the lease period.

**CAPITAL OUTLAY FUNDS
FISCAL YEAR 2006-07 (AUDITED)**

Fiscal Year Ending June 30, 2007	Deferred Maintenance Fund¹	Building Fund²	Capital Facilities Fund³	School Facilities Fund⁴	Special Reserve Fund Capital Outlay⁵	Total
Beginning Balance	\$2,193,464	\$52,471,097	\$11,392,133	\$9,403,186	\$166,146	\$75,626,026
Revenues	431,239	4,125,868	8,210,437	669,901	13,475	13,450,920
Expenditures	270,409	2,702,663	170,663	53,808,903	42,391	56,995,029
Transfers - In	355,000	1,620,500	3,371,105	48,856,231	0	54,202,836
Transfers - Out	0	31,766,227	16,617,234	4,727,255	0	53,110,716
Sources	0	60,000,000	0	0	0	60,000,000
Net Change	515,830	31,277,478	(5,206,355)	(9,010,026)	(28,916)	17,548,011
Ending Balance	\$2,709,294	\$83,748,575	\$6,185,778	\$393,160	\$137,230	\$93,174,037

**CAPITAL OUTLAY FUNDS
FISCAL YEAR 2007-08 (UNAUDITED)**

Fiscal Year Ending June 30, 2008	Deferred Maintenance Fund¹	Building Fund²	Capital Facilities Fund³	School Facilities Fund⁴	Special Reserve Fund Capital Outlay⁵	Total
Beginning Balance	\$2,709,294	\$83,748,575	\$6,185,778	\$393,160	\$137,230	\$93,174,037
Revenues	495,879	5,198,032	3,926,866	31,805,430	5,542	41,431,749
Expenditures	373,966	14,388,718	1,328,082	53,079,207	13,912	69,183,885
Transfers – In	380,440	3,702,648	1,768,643	31,964,068	0	37,815,799
Transfers - Out	0	35,596,151	123,948	1,534,358	0	37,254,457
Sources	0	55,576,125	0	0	0	55,576,125
Net Change	502,353	14,491,936	4,243,479	9,155,933	(8,370)	28,385,331
Ending Balance	\$3,211,647	\$98,240,511	\$10,429,257	\$9,549,093	\$128,860	\$121,559,368

¹ The Deferred Maintenance Fund (14) is used for projects identified in the District's Five-Year Deferred Maintenance Plan. Funding comes from a District-match contribution (transfer from the General Fund) and a state-match contribution.

² The Building Fund (21) is used to account for revenues and expenditures from General Obligation bond proceeds (Measures M and D) on acquisition or construction of facilities. Other revenues include proceeds from the sale or lease-with-option-to-purchase of real property and rentals/leases of real property.

³ The Capital Facilities Fund (25) is used to account for developer fees.

⁴ The School Facilities Fund (35) is used to account for proceeds received from the State Allocation Board for modernization and new construction projects. Other sources include a transfer from the General Fund.

⁵ The Special Reserve Fund (40) for Capital Outlay Projects is used to account for revenues transferred from the General Fund, proceeds from the sale or lease-with-option-to-purchase of real property, rentals/leases of real property and excess amounts sufficient to pay all unpaid bond obligations.

FACILITIES PROGRAM HISTORY/STATUS

To assist the community in understanding the District's facilities program and the chronology of events and decisions that resulted in changes in scopes and costs for projects, this report documents facilities-related events from July 1, 2007, through June 30, 2008.

While this table of events simply outlines the events of the past year, these chronologies may become more important over time to assist the community with understanding the development of the District's bond-funded facilities program.

Chronology of Facilities Events, July 1, 2007 – June 30, 2008

DATE	ACTION	AMOUNT
July 18, 2007	Approve a piggyback contract through the California Multiple Awards schedule with River City Communications Corporation for the purchase and installation of Structured Cabling system and Central Antenna Television Systems (CATV) at the H. Allen Hight Learning Center (Developer Fees and State School Facilities Funding).	\$412,647
July 18, 2007	Approve a piggyback contract through the California Multiple Awards schedule with River City Communications Corporation for the purchase and installation of voice, data and PA systems at Np ³ Charter School (Developer Fees and State School Facilities Funding).	\$64,650
July 18, 2007	Approve a piggyback contract through the California Multiple Awards schedule with River City Communications Corporation for the purchase and installation of a Closed Circuit Television System (Video Surveillance) at the H. Allen Hight Learning Center (Developer Fees and State School Facilities Funding).	\$342,394
July 18, 2007	Approve a piggyback contract through the California Multiple Awards schedule with River City Communications Corporation for the purchase and installation of voice, video and data systems for the Westlake Charter School relocation project (Developer Fees and State School Facilities Funding).	\$40,000
July 18, 2007	Approve Change Order No. 1, Gary Doupnik Manufacturing, Inc. and Western Placer School District, for additional overtime costs associated with the relocation and installation of modular buildings for the Westlake Charter School Relocation project (Measure D)	\$1,280
July 18, 2007	Approve Change Order No. 1, C&C Construction, Inc., for a revised scope of work, for the Westlake Charter School Relocation project (Measure D)	\$38,212
July 18, 2007	Approve Change Order No. 3 (Cash Basis), Marvin L. Oates, as Co-Trustee of the Marvin L. Oates Trust, William C. Cummings, and PDA Land, LLC, a California limited liability company, to cover the cost of additional tenant improvements for the NP ³ Relocation project (Developer Fees and General Fund)	\$70,540

July 18, 2007	Approve a contract with Southern Hemisphere for fabrication and construction of one shade structure at Two Rivers Elementary School. The District obtained three quotes: Southern Hemisphere- \$10,815, All About Play-\$11,70.78, Shade Structures-\$18,326.61. (Measure D)	\$10,815
July 18, 2007	Approve a contract amendment with DLR Group, Inc. for a revised scope of work for the Two Rivers Elementary School Shade Structure project (Measure D)	\$2,100
July 18, 2007	Approve a contract amendment with DLR Group, Inc. for a revised scope of design work for the Westlake Charter School Relocation project (Measure D)	\$6,260
July 18, 2007	Approve a lease with Gary Doupnik Manufacturing, Inc. for two portable classrooms to be sited at Heron School (no quotes) (Developer Fees and Measure D)	\$39,400
July 18, 2007	Approve a contract with LPA Architects, Inc. for the design and construction observation of the 4 th portable classroom at Heron School (Developer Fees and General Fund)	\$23,500
July 18, 2007	Approve a contract with William + Paddon Architects, Inc. for the development and use of 3D graphics packages to be used in District facilities planning sessions (Measure D)	\$15,000
July 18, 2007	Approve a contract amendment with Wallace Kuhl & Associates for rebar and shop/field weld testing for the H. Allen Hight Learning Center project (COP/State School Facilities Funding/Developer Fees/Measure D)	\$76,547
July 18, 2007	Approve Resolution No. 07-31 requesting the collection of general obligation bond taxes for the fiscal year 2007-08 in anticipation of the issuance of general obligation bonds	
July 18, 2007	Approve Resolution 07-32 authorizing the Issuance of Bonds	
July 18, 2007	Approve the allocation of Measure D funds up to \$500,000 annually for the next then years to support the District Wide Computer Refresh Program (annually)	\$500,000
July 18, 2007	Approve a contract with Stuart & Associates for policy tracking and monitoring services of the State Allocation Board (SAB), Office of Public School Construction (OPSC), SAB Implementation Committee, legislative and other governmental bodies affecting the District's Facilities Program (Developer Fees and General Fund)	\$1,200 per month
July 18, 2007	Approve a contract with Bridge Street Advisors for consulting services regarding land use planning and permitting for District school sites (Developer Fees and General Fund)	Not to Exceed \$95,000
July 18, 2007	Natomas Charter school repayment plan for the Join Use Gym bid overruns	
July 18, 2007	Contract with RDS Architects for the design of an all weather track for the H. Allen Hight Light Learning Center project (COP, State match, Developer Fees, Measure D)	\$8,750
July 18, 2007	Measure M Project Update	

July 18, 2007	Measure D Project Update	
July 18, 2007	Facilities Update	
August 8, 2007	Approve a correction to Board Item No. VI (D), Maring L. Oates et al, Change Order No. 1 approved at the June 25, 2007 Board meeting in the amount of \$113,139.00. This change order should have been Change Order No. 2	N/A
August 8, 2007	Approve Change Order No. 1, Marvin L. Oates, as Co-Trustee of the Marvin L. Oates Trust, William C. Cummings, and PDA Land, LLC, A California limited liability company to cover the cost of additional tenant improvements for the NP ³ Relocation project (Measure D, Developer Fees and General Fund).	(\$15,000)
August 8, 2007	Approve Change Order No. 1, Mascon, Inc., for the Heron P.E. Structure project (Measure D)	\$12,833
August 8, 2007	Approve a contract with John Rivera, to replace Brian Norwood as inspector of Record, for the Natomas Charter School Gymnasium project (State School Facilities Funding).	\$65,280
August 8, 2007	Approve a contract amendment for Williams + Paddon Architects, Inc., for the Natomas Charter School Theatre project (Measure M, Developer Fees, State School Facilities Funding)	\$91,179
August 8, 2007	Ratify a piggyback contract through Folsom Cordova Unified School District with Highsmith Company for the purchase and installation of furniture and equipment for Natomas Pacific Pathways Prep Charter School (NP ³) (Developer Fees and General Fund).	\$119,969
August 8, 2007	Ratify a piggyback contract through Folsom Cordova Unified School District with Highsmith Company and Fresno Unified School District with Contract Interiors for the purchase and installation of furniture and equipment for Westlake Charter School (Developer Fees and General Fund).	\$24,395
August 8, 2007	Approve a piggyback contract through the California Multiple Awards Schedule with River City Communications Corporation for the purchase and installation of Voice, Data, Clock/Bell, Intrusion and CCTV systems for the Heron School P.E. structure (Developer Fees and State School Facilities Funding).	\$16,987
August 8, 2007	Approve a piggyback contract through the California Middle Awards Schedule with River City Communications Corporation for the purchase and installation of Voice, Data, Clock/Bell, CATV Intrusion and Audio/Video systems for the portables project at Heron School (Developer Fees and State School Facilities Program).	\$27,250
August 8, 2007	Approve a piggyback contract through CalNet with AT&T for the purchase and installation of the Closed Circuit Television (CCTV) equipment for the Measure D surveillance project (Measure D)	Not to Exceed \$300,000

August 8, 2007	Approve a piggyback contract through the Western States Contract Alliance II (WSCAII) for the purchase of computers, laptops and peripherals for the Computer Refresh Program through the 2007-08 school year (Measure D)	Not to Exceed \$1,000,000
August 8, 2007	Approve a piggyback contract through the Pennsylvania Education Purchasing Program for Microcomputers (PEPPM) for the purchase of computers, laptops and peripherals for the Computer Refresh Program through the 2007-08 school year (Measure D)	Not to Exceed \$500,000
August 8, 2007	Approve a contract with Clark-Wolcott, Incorporated, for appraisal services at the H. Allen Hight Learning Center site (Measure D, Developer Fees and State School Facilities Funding)	\$5,000
August 8, 2007	Approve the Natomas Charter School repayment plan for the Natomas Charter School Joint Use Gymnasium bid overruns (Measure D, Developer Fees and State School Facilities Funding)	\$11,005,500
August 8, 2007	Approve the final disposition regarding the purchase of real property, APN No. 225-0227-019; APN No. 225-0227-027 (Natomas Central) (Measure D, Developer Fees and State School Facilities Funding)	\$1,005,500
August 8, 2007	Approve a correction to the allocation of Measure D funds annually for the next ten years to support the District Wide Computer Refresh Program (Not to Exceed \$5 million)	\$500,000 per year next ten years
August 8, 2007	Sequencing of construction for the Natomas High School and Inderkum High School Track & Field Renovation project	
August 8, 2007	Opening date for H. Allen Hight Learning Center	
August 8, 2007	Measure M Project Update	
August 8, 2007	Measure D Project Update	
August 8, 2007	Facilities Update	
September 12, 2007	Approve Change Order No. 4 (cash basis), Marvin L. Oates, as co-Trustee of the Marvin L. Oates Trust, William C. Cummings, and PDA Land, LLC, a California limited liability company, to cover the cost of additional tenant improvements for the NP ³ Relocation project (Developer Fees and General Fund)	\$6,226
September 12, 2007	Approve Change Order No. 3 (corrected from the June 25, 2007 Special Board meeting), Meehleis Modular Buildings, Inc., for the Natomas Charter School Joint Use Gymnasium project. (Developer Fees and State School Facilities Funding)	\$332,465 (corrected)
September 12, 2007	Approve Change Order No. 4, Meehleis Modular Buildings, Inc., for the Natomas Charter School Joint Use Gymnasium project (Developer Fees and 5 State School Facilities Funding)	\$250,660

September 12, 2007	Approve a contract through the California Multiple Awards schedule with Mohawk Commercial, Inc. for the purchase and installation of carpet at Bannon Creek and Jefferson elementary schools; Leroy F. Greene Middle School; and Natomas High School (Deferred Maintenance)	Not to exceed \$158,206
September 12, 2007	Approve Change Order No. 2, C&C Construction, Inc., for the Westlake Charter School Relocation project (Measure D)	\$38,212
September 12, 2007	Approve Change Order No. 3, C&C Construction, Inc., for the Westlake Charter School Relocation project (Measure D)	\$57,126
September 12, 2007	Approve the Notice of Completion, C&C Construction, Inc., for the Westlake Charter School Relocation project	
September 12, 2007	Approve the Notice of Completion, Gary Douplik Manufacturing, Inc., for the Westlake Charter School Relocation project	
September 12, 2007	Approve a contract with Wallace Kuhl & Associates, Inc., for soil compaction and water line testing, for the Natomas High School and Inderkum High School Track & Field Renovation project (Measure D)	\$18,000 per site \$36,000 total
September 12, 2007	Approve a contract with Rich Corey, Professional inspection consultants, for construction inspection services, for the Natomas High School and Inderkum High School Track & Field renovation project (Measure D)	\$15,600
September 12, 2007	Approve Resolution No. 07-36, State and Local Government Master Lease Purchase Agreement with Hewlett-Packard Financial Services Company for the lease-purchase of computer equipment	
September 12, 2007	Approve a contract with Donley Construction Consultants, for construction scheduling and documentation services, for the H. Allen Hight Learning Center project (Measure D, State School Facilities Funding, Developer Fees, Other)	Not to Exceed \$10,000
September 12, 2007	Consider the financial consequences of opening the H. Allen Learning Center in 2008 and make an official determination based on the data presented	
September 12, 2007	Approve contract with Wallace Kuhl & Associates for construction materials, testing and inspection services at Natomas Charter School (Measure D/ State School Facilities Funding)	\$12,074
September 12, 2007	Measure M Project Update	
September 12, 2007	Measure D Project Update	
September 12, 2007	Facilities Update	
September 26, 2007	Consider the financial consequences of opening the H. Allen Hight Learning Center in 2008 and make an official determination based on the data presented	

September 26, 2007	Approve a Public Improvement Agreement (PIA) with the City of Sacramento for public improvements related to H. Allen Hight Learning Center project, including payment of required City engineering review fees	\$29,928
October 10, 2007	Approve Change Order No. 3 for C&C Construction, Inc., for a revised scope of work for the Westlake Charter School Relocation project (corrected from the September 12, 2007 Regular Board meeting) (Measure D)	\$20,029 (corrected figure)
October 10, 2007	Approve a payment to the City of Sacramento, Department of Utilities, for utilities infrastructure fees for the H. Allen Hight Learning Center project (Measure M, Developer Fees and State School Facilities Funding)	\$79,425
October 10, 2007	Approve a preliminary yield studies contract with Williams + Paddon Architects, Inc., for the West Lakeside School site (Measure M)	Not to exceed \$25,000
October 10, 2007	Approve the reimbursement of sewer connection fees to West Coast Contractors of Nevada, Inc. for the Central Kitchen project (Measure M)	\$27,456
October 10, 2007	Approve a piggyback contract through the California Multiple Awards Schedule with River City Communications Corporation for the purchase and installation of NEC phone equipment at the H. Allen Hight Learning Center (Developer Fees and State School Facilities Funding)	Not to exceed \$290,000
October 10, 2007	Approve the notice of completion with River City Communications Corporation for the installation of projectors for Heron School (Developer Fees and State School Facilities Funding)	
October 10, 2007	Approve the notice of completion with River City Communications Corporation for the installation of CATV, voice and data cabling infrastructure for Heron School (Developer Fees and State School Facilities Funding)	
October 10, 2007	Approve the notice of completion with River City Communications Corporation for the installation of CCTV system for Heron School (Developer Fees and State School Facilities Funding)	
October 10, 2007	Approve a contract with Excelsior Software for Enterprise Reporting and Data Analysis Solution software (Measure D)	\$135,000
October 10, 2007	Approve Resolution No. 07-40, for the use of student grants for funding by the State Allocation Board (SAB) for the H. Allen Hight Learning Center project (Measure D and Developer Fees)	\$4,436,469
October 10, 2007	Measure M Project Update	
October 10, 2007	Measure D Project Update	
October 10, 2007	Facilities Update	

November 14, 2007	Approve the following Board Policies and Administrative Regulations: New: BP/AR 0440 District Technology Plan Revised: AR 3314 Payment for Goods and Services	
November 14, 2007	Approve a contract with Mascon Incorporated for general contracting (site and other related) work, for the Natomas High School and Inderkum High School Tract & Field renovation project	\$2,614,850
November 14, 2007	Approve a California Multiple Awards Schedule (CMAS) contract with Field Turf/Tarkett, Inc. for the purchase and installation of artificial turf surfaces as a part of the Natomas High School and Inderkum High School Track & Field renovation project (Measure D)	\$924,041
November 14, 2007	Approve a California Multiple Awards Schedule (CMAS) contract with Sports Surfaces Distribution, Inc., for the purchase and installation of artificial track surfaces as a part of the Natomas High School and Inderkum High School Track & Field renovation project (Measure D)	\$1,255,550
November 14, 2007	Approve Change Order No. 1, Wells Construction Incorporated, for emergency construction services for the Inderkum High School Water Damage Repair project (District Insurance)	\$13,023
November 14, 2007	Approve a contract and contract amendment with kdAnderson Traffic Engineers, for traffic engineering services, for the H. Allen High Learning Center project (State School Facilities Funding, Developer Fees, Measure D)	\$28,450
November 14, 2007	Approve a contract amendment with Williams + Paddon, Architects + Planners, Inc., for architectural review and coordination services for the Natomas Charter School Gymnasium project (Measure D)	Not to exceed \$14,500
November 14, 2007	Approve a contract amendment with David Consbruck, AIA, for inspector of record services for the Westlake Charter School Relocation project (Measure D)	\$2,000
November 14, 2007	Measure M Project Update	
November 14, 2007	Measure D Project Update	
November 14, 2007	Facilities Update	
December 5, 2007	Facilities and Planning Workshop	
December 12, 2007	Approve a contract with Kirk S. Brainerd Architect for architectural design services related to the installation of shade structures at Jefferson, Bannon Creek, American Lakes, Natomas Park, Two Rivers, Heron, and Westlake Charter elementary schools (Measure M)	\$21,000

December 12, 2007	Approve a piggyback contract through national Carport Industries for the purchase and installation of shade structures at Jefferson, Bannon Creek, American Lakes, Natomas Park, Two Rivers, Heron and Westlake Charter elementary schools (Measure M)	\$384,770
December 12, 2007	Approve Change Order No. 5, Meehleis Modular Buildings, Inc., for the Natomas Charter School Joint Use Gymnasium project (Measure D, NCS, State School Facilities Funding)	\$64,862
December 12, 2007	Approve Change Order No. 2, Mascon, Incorporated, for the Heron P.E. Structure project (Measure D, State School Facilities Fund, Joint Use, NCS Funds)	\$15,312
December 12, 2007	Approve a notice of completion, Mascon, Incorporated, for the Heron P.E. Structure project (Measure D, State School Facilities Fund, Joint Use, NCS Funds)	
December 12, 2007	Approve a reimbursement of funds to Landmark Modernization Contractors, Inc., for fire pump for the Natomas Charter School Theatre project (Measure D, State School Facilities Fund, Joint Use, NCS Funds)	\$37,986
December 12, 2007	Approve a contract for inspector of record services with John Rivera, for the installation of shade structures at Jefferson, Bannon Creek, American Lakes, Natomas Park, Two Rivers, Heron and Westlake Charter elementary schools (Measure M)	\$19,920
December 12, 2007	Measure D Project Update	
December 12, 2007	Facilities Update	
December 12, 2007	Facilities and Planning Workshop	
December 12, 2007	Approve US Communities contract with All About Play to purchase and retrofit playground equipment at Jefferson, Bannon Creek and American Lakes Elementary schools. (Measure D)	Not to exceed \$591,059
January 9, 2008	Approve a piggyback contract through Folsom Cordova USD with Highsmith and Office Depot for the purchase and installation of classroom furniture for students and teachers for the H. Allen Hight Learning Center	
January 9, 2008	Approve the prioritization and allocation of \$250,000 for the purchase of two Special Education buses over the next two years from Measure M funds	
January 9, 2008	Approve a contract with WCS/CA for architectural and structural engineering diagnostic services at Leroy F. Greene Middle School (Developer Fees)	\$70,000
January 9, 2008	Approve the proposed boundary changes for H. Allen Hight Elementary School and other schools located in the North Natomas area	
January 9, 2008	Measure D Project Update	
January 9, 2008	Facilities Update	

January 9, 2008	Facilities and Planning Workshop
January 23, 2008	Approve Change Order No. 04, Turner Construction Co., for the H. Allen Hight Learning Center project (State School Facilities Funding, Measure D, Developer Fees)
February 13, 2008	Approve a notice of completion with River City Communications for the purchase and installation of voice, video, and data systems for Westlake Charter School Relocation project
February 13, 2008	Approve a notice of completion with River City Communications for the purchase and installation of data retrofit for Natomas High School
February 13, 2008	Approve a notice of completion with River City Communications for the purchase and installation of infrastructure at NP ³ Charter School
February 13, 2008	Approve a notice of completion with Gary Douppnik Manufacturing, Inc., for site work performed related to the leased portables at Heron School
February 13, 2008	Approve Change Order No. 3, Turner Construction Company, for the H. Allen Hight Learning Center project
February 13, 2008	Measure D Project Update
February 13, 2008	Facilities Update
February 13, 2008	Facilities and Planning Workshop
February 27 2008	Approve Change Order No. 3, Turner Construction Company, for the H. Allen Hight Learning Center project (State School Facilities Funding, Measure M, Developer Fees)
February 27, 2008	Approve Resolution No. 08-07, granting easements to the City of Sacramento for Public Utility, Public Road, and Public Sidewalk and Pedestrian access to certain areas at the H. Allen Hight Learning Center campus and authorizing the recording of the Grants of Easements in the name of the District
March 12, 2008	Accept the resignation of Charles Gabban from the Citizens' Bond Oversight Committee
March 12, 2008	Deny the application by an interested party to serve on the Citizens' Bond Oversight Committee
March 12, 2008	Approve the Citizens' Bond Oversight Committee Security Cameras Project Audit report
March 12, 2008	Approve a piggyback contract through CalNet 1 with AT&T to purchase and install the Intercom/Clock/Intrusion/Sound and Surveillance Infrastructure for the H. Allen Hight project
March 12, 2008	Approve a piggyback contract through Folsom Cordova USD and US Communities with Highsmith and Office Depot for the purchase and installation of furniture in the Administration, Library, Computer/Science Labs, Special Education and Building G areas for the H. Allen Hight Learning Center

March 12, 2008	Approve Resolution No. 08-15, adopting the Needs School Facilities Analysis and establishing Level II Developer Fees for the fiscal year 2007-08	
March 12, 2008	Approve Resolution No.08-16, adopting the Developer Fees Justification Study and establishing Level I Developer Fees for the fiscal year 2007-08	
March 12, 2008	Approve an agreement of Donation of Services with B-Line Construction Inc. for the installation of a donated marquee sign at Natomas Park Elementary School	
March 12, 2008	Approve a contract with EDAW/AECOM to conduct a California Environmental Quality Act (CEQA) study for the West Lakeside property (Measure D)	\$436,480
March 12, 2008	Approve a notice of completion to DeVaney's Roofing for emergency roof repairs due to storm damage at various schools	
March 12, 2008	Approve Resolution NO. 08-17, authorizing the exemption of the H. Allen High Learning Center pump house from requirements of the California Field Act and the installation of a permanent fence	
March 12, 2008	Measure D Project Update	
March 12, 2008	Facilities Update	
March 12, 2008	Facilities and Planning Workshop	
April 9, 2008	Approve the following Board Policies and Administrative Regulations: New: BP 7213 School Facilities Improvement Districts BP 7212 Mello Roos Districts 6164	
April 9, 2008	Approve Change Order No. 6, Meehlis Modular Buildings, Inc. for the Natomas Charter School Gymnasium project (Measure D, Natomas Charter School, State School Facilities Funding)	\$22,319
April 9, 2008	Approve a notice of completion to Meehlis Modular Buildings, Inc. for the Natomas Charter School Gymnasium project	
April 9, 2008	Approve an additional payment to Wallace-Kuhl & Associates, Inc. for additional work performed to complete the Preliminary Endangerment Assessment (PEA) for the Northborough II Elementary School site (Measure M and Developer Fees)	\$45,000
April 9, 2008	Approve a contract amendment with Williams + Paddon, Architects + Planners, Inc., for architectural planning services from the addition of four portables at the Natomas Charter School (Natomas Charter School Fund)	\$35,000
April 9, 2008	Approve the addition of two additional schools, Two Rivers Elementary and Natomas Park Elementary, to the previously approved contract with All About Plan, for the purchase and retrofitting of playground equipment. (Measure D)	

April 9, 2008	Approve a US Communities Program contract with All About Play for the purchase and installation of playground equipment specifically designed for the Natomas Center Based Program for students with autism at Two Rivers Elementary School (Measure D & Categorical funds)	\$79,502
April 9, 2008	Approve a piggyback contract with National Carport Industries Incorporated for the purchase and installation of a shade structure specifically for the Natomas Center Based Program for students with autism at Two Rivers Elementary School Measure D & Categorical funds)	\$26,580
April 9, 2008	Measure D Project Update	
April 9, 2008	Facilities Update	
April 9, 2008	Facilities and Planning Workshop	
May 14, 2008	Approve a contract with Anicich Construction, Inc., for general contracting services, for the installation of shade structures at American Lakes, Bannon Creek and Jefferson Elementary Schools (Measure D)	\$7,627
May 14, 2008	Approve contract with Kirk Brainard Architect for design services relating to the portables designed for the Natomas Based Program for students with autism at Two Rivers Elementary. (Other State, Developer Fees)	\$19,000
May 14, 2008	Approve Change Order No. 1, Mascon, Incorporated for general contracting (site and other related) work for the Natomas High School and Inderkum High School Track and Field Renovation project. (Measure D)	\$78,068
May 14, 2008	Approve a contract for Inspector of Record (IOR) services with John Rivera for the Natomas Charter facility.	\$25,220
May 14, 2008	Improve an increase to the California Multiple Awards Schedule (CMAS) contract with Field/Turf, Inc., for the addition of field center logos and end zones lettering for the Natomas High School and Inderkum High School Track and Field Renovation Field project. (Measure D)	\$94,483
May 14, 2008	Approve a Contract Amendment No. 2, Wallace-Kuhl & Associates Inc., for additional construction testing services for the H. Allen Hight Learning Center project. (State School Facilities Funding, Measure D, Developer Fees)	\$29,000
May 14, 2008	Approve Contract Amendment No. 2, Williams & Paddon, Architects + Planners, Inc., for remediation and certification of seven (7) portables at the Natomas Charter School. (Charter School Funds)	\$8,000
May 14, 2008	Approve a correction to Change Order No. 3 (due to a duplication of change order number) with Turner Construction, Inc. for the H. Allen Hight Learning Center project.	
May 14, 2008	Approve Change Order No. 7, Meehlis Modular Buildings, Inc., for the Natomas Charter School Gymnasium project.	\$1,920
May 14, 2008	Approve the Measure D project audits as performed by the Citizens' Bond Oversight Committee (CBOC)	

May 14, 2008	Approve the June 30, 2006 Performance Audit for Measures M and D.	
May 14, 2008	Approve a piggyback contract through CalNet with AT&T for the purchase and installation of the Closed Circuit Television (CCTV) Phase II equipment for the Measure D Surveillance project. (Developer Fees and State School Facility Funds)	\$141,081
May 14, 2008	Approve a piggyback contract through the Western States Contracting Alliance (WSCA) with DecoTech for the purchase of network switches for H. Allen Hight Learning Center. (Developer Fees and State School Facility Funds)	\$121,346
May 14, 2008	Approve a piggyback contract through the California Multiple Awards Schedule with Western Blue for the purchase of digital projectors for the video distribution system for H. Allen Hight Learning Center. (Developer Fees and State School Facility Funds)	\$28,000
May 14, 2008	Approve a piggyback contract through the Western States Contract Alliance II with Western Blue for the purchase of printers for H. Allen Hight Learning Center. (Developer Fees and State School Facility Funds)	14,000
May 14, 2008	Approve piggyback contracting through the Pennsylvania Education Purchasing Program (PEPPM) with Western Blue for the purchase of X300 N Computing products for H. Allen Hight Learning Center. (Developer Fees and State School Facility Funds)	\$11,000
May 14, 2008	Approve a piggyback contract through the California Multiple Award Schedule with River City Communications Corp., for the purchase and installation of Measure D data cabling equipment for Jefferson Elementary School. (Developer Fees and State School Facility Funds)	\$25,254
May 14, 2008	Approve a contract for limited architectural services with Williams + Paddon, Architects + Planners, Inc., to provide Division of the State Architect (DSA) closeout documentation for one (1) portable at the Natomas Charter School. (Charter School Funds)	\$15,000
May 14, 2008	Consider options for the potential expansion of the Westlake Charter School.	
May 14, 2008	Approve a contract agreement with Williams + Paddon, Architects + Planners, Inc., for the Westlake Charter 2008 Portables project. (Measure D)	\$27,000
May 14, 2008	Approve Resolutions No. 08-25 authorizing the issuance and sale of the 2008 General Obligation Refunding Bonds of the District and related actions.	
May 14, 2008	Measure M Projects Update	
May 14, 2008	Measure D Projects Update	
May 14, 2008	Facilities and Planning Update	
May 28, 2008	Approve a piggyback contract through the California Multiple Awards Schedule (CMAS) with Deco Tech for the purchase and installation of Data Center UPS for the Microsoft Migration. (Measure D)	Not to exceed \$50,000

May 28, 2008	Approve a piggyback contract through the California Multiple Awards Schedule (CMAS) with River City Communications for the purchase of Wireless Infrastructure for H. Allen Hight Learning Center. (Developer Fees and 5 State School Facility Funds	\$13,000
May 28, 2008	Approve a contract scope of services correction for Inspector of Record (IOR) services with John Rivera for the Natomas Charter School 2008 Portables project.	
May 28, 2008	Approve a piggyback contract through the Western States Contract Alliance II (WSCAII) with Western Blue for the purchase of Monitors, Keyboards, and Mice for the H. Allen Hight Learning Center. (Developer Fees and State School Facility Funds	\$65,000
May 28, 2008	Approve a Notice of Completion to Mascon, Incorporated for general contracting services (site and other related) work for the Natomas High School and Inderkum High School Track and Field project.	
May 28, 2008	Approve Change Order No. 2, Mascon, Incorporated for general contracting (site and other related) work for the Natomas High School and Inderkum High School Track and Field project. (Measure D)	\$84,996
May 28, 2008	Consider options for the potential expansion of the Westlake Charter School, including possible approval of a "piggyback" contract with Gary Douppnik Manufacturing, Inc., for the purchase and placement of four (4) portables on the Westlake Charter School site.	Unknown
May 28, 2008	Approve a contract for Inspector of Record (IOR) services with Rich Corey of Professional Inspection Consultants for the Westlake Charter School 2008 Portables project.	Not to exceed \$161,800
May 28, 2008	Approve a piggyback contract through the Western States Contract Alliance II (WSCAII) with Deco Tech for the purchase and installation of HP Servers, Server Hardware, and Storage for the Computer Refresh Program through the 2007-08 year. (Measure D)	Not to exceed \$1,000,000
June 18, 2008	Approve a contract increase to the California Multiple Awards Schedule (CMAS) contract with Field Turf/Tarkett, Inc., to include the sales tax incurred on the materials purchased for the Natomas High School and Inderkum High School Track and Field projects.	\$53,460
June 18, 2008	Approve a location change for the Natomas Center Based program for preschool and kindergarten students with autism from Two Rivers Elementary School to American Lakes Elementary School.	
June 18, 2008	Approve a contract with Torre Construction Management, for construction management services, for the H. Allen Hight Learning Center project. (Measure D)	\$114,465
June 18, 2008	Approve a contract extension with BRJ & Associates LLC, form May 1, 2008 through May 31, 2008, for the H. Allen Hight Learning Center project. (Measure D)	\$42,564

June 18, 2008	Approve the adoption of the 2008-09 Five-Year Deferred Maintenance Plan.	
June 18, 2008	Approve a contract with Creative Bus Sales, Incorporated for the purchase of two eighteen passenger wheelchair equipped school buses (Bid No. 03-07/08). Measure D - \$108,832 and Measure M \$108,832)	\$217,664
June 25, 2008	Facilities and Planning Workshop	

COMPLIANCE WITH STATE LAW, GUIDELINES, DISTRICT POLICY AND FUNDING FORMULAS

Process Utilized

TSS examined standard bid documents, contract documents, State of California laws and regulations, District policies, reports, and other relevant documentation related to the District's bond program. Interviews with key District staff were also held to obtain additional information regarding District practices.

Background

There are numerous legal and regulatory requirements associated with the delivery of California public school construction projects. Various codes and regulations govern these processes.

This review assesses the overall compliance with standards resulting from these legal and regulatory requirements. TSS has developed this assessment of compliance to analyze the functionality of the District's bond facilities program. It should not be viewed or relied upon as a legal opinion. This section does not include a review of compliance with the California Building Code or other related requirements.

TSS has reviewed the following two distinct categories of requirements: (1) compliance with state law and regulations and (2) compliance with District policies and guidelines.

State Law

Many requirements for the construction of public schools appear in different California Codes, accompanied by regulations from various agencies. The Natomas Unified School District complies with these requirements through the District's bidding and contract documents. The District also provides notices to bidders by referencing and detailing the section requirements, as appropriate.

The following items are required to appear in the bid documents:¹

- *Document 00700, Article 45 (GC) (page 26 of 50): Division of the State Architect (DSA) approval for individual project/plans and specifications*
- *Document 00300: Notice to Bidders.* The Notice to Bidders includes the required notification for project identity; date, time, and place of bid opening; contractor's license requirements for type and whether it is current; bid bond and certified bid security check requirements; payment bond requirements; performance bond requirements; substitution of securities information; definition of prevailing wage requirements; statement establishing blind bid process; and a reservation of the right to reject all bids.
- *Document 00310 (page 10 of 10): Bid Bond.* A bid bond is present in the package and demanded of the contractor on a form prepared by the District, as required.
- *Document 00310 (page 4 of 10): Non-collusion Affidavit.* A non-collusion affidavit form is provided and demanded of the contractor.
- *Document 00700, Article 20 (GC) (page 13 of 50): Escrow Agreement for Security Deposits in Lieu of Retention.* This item is included as an option, as required.

- *Document 00620: Performance Bond.* A performance bond for 100 percent of the contract price, on a form prepared by the District, is demanded of the contractor and included in the bid package.
- *Document 00610: Payment Bond.* A payment bond for 100 percent of the contract price, on a form prepared by the District, is demanded of the contractor and included in the bid package.
- *Document 00510 (page 2 of 2): Workers' Compensation Certification.* The contractor is required to certify compliance with the state workers' compensation regulations.
- *Document 00700, Articles 57 and 59 (GC) (pages 30-32 of 50): Prevailing Wage and Related Labor Requirements Certification.* The contractor is required to certify compliance.
- *Document 00700, Article 56 (GC) (pages 29-30 of 50): Drug-Free Workplace Certification.* The contractor is required to provide drug-free workplace certification.
- *Document 00700, Article 80 (GC) (pages 49-50 of 50): Hazardous Materials Certification.* The contractor is obligated to provide certification that no hazardous materials were to be furnished, installed, or incorporated in any way into the project.
- *Lead-Based Paint Certification.* The contractor is required to certify compliance with lead-based materials regulations.
- *Document 00700, Article 85 (GC) (pages 49-50 of 50): Criminal Background Investigation/Fingerprinting Certification.* The contractor is required to select a method of compliance and to certify compliance with criminal background investigation/fingerprinting requirements.

State law does not require the items listed below; however, they are required for state funding.

- *Document 00700, Articles 57 and 59 (GC) (pages 30-32 of 50): Prevailing Wage and Related Labor Requirements Certification.* The contractors are required to certify compliance with the State Public Works Contract requirements.
- *Document 00700, Article 66 (GC) (page 39 of 50): Disabled Veteran Business Enterprise (DVBE) Participation Certification.* The contractor is required to certify compliance with the DVBE requirements as set forth in the state's School Facilities Program.

The items below are best practices. They are not required by state law or for state funding.

- *Document 00100OB: Instruction to Bidders*
- *Document 00500: Notice of Award*
- *Document 00500: Notice to Proceed*
- *Document 00510: Agreement*
- *Escrow of Bid Documentation*

¹ Proof of District compliance was taken from the bid document for the "Natomas High School and Inderkum High School Track and Field Improvements" project dated October 2, 2007. The document numbers were taken from the "Bidding and Contract Requirements" section; within that section, Document 00700, "General Conditions (GC)" included Articles 1-85, which further clarified contractor duties and responsibilities.

Observation

- A review of the District's bidding and contract documents did not identify a section on the requirement to certify compliance with lead-based materials regulations.

Prevailing Wage Law/Labor Compliance Program

In California, contractors and subcontractors on public works projects must comply with the California Prevailing Wage Law (Labor Code 1720 et seq.). This law stipulates that workers must be paid the prevailing rate of hourly wages and fringe benefits, as specified by the State Department of Industrial Relations, for the region where a construction project is located.

Traditionally, a school district ensures that the Prevailing Wage Law is complied with by requiring contractors and subcontractors to maintain certified payroll records for each worker.

In 2002, enactment of AB 1506 created the Labor Compliance Program (LCP), which added an additional requirement to school district construction projects that received state funding from Proposition 47 (2002) and 55 (2004). AB 1506 was intended to ensure that contractors and subcontractors complied with the Prevailing Wage Law. Under AB 1506, a school district must make a written finding that it, or a third-party contractor, will initiate and enforce the required LCP, transmit that finding to the State Allocation Board (SAB) and take all appropriate measures throughout the construction project to verify compliance.

In November 2007, Proposition 1D passed without the additional requirement of a Labor Compliance Program. Subsequent legislation that would have reinstated a LCP (SB 18, 2007) for Proposition 1D funding was vetoed by the Governor.

Regardless of whether a school district is required to have a LCP, it must fully comply with the Prevailing Wage Law. To ensure compliance with the law, a school district should develop and implement policies and procedures to be applied to all construction projects, regardless of the source of funding.

Observation

- Two District projects funded by the State School Facility Program (new construction projects 50/004, Discovery Continuation High and 50/012, Heron Elementary) received LCP grants, mandating compliance with the Labor Compliance Program for those projects.

Commendation

- The District is commended for internally reviewing contractor certified payrolls to ensure that its construction projects comply with the Prevailing Wage Law and, if required, the SAB Labor Compliance Program.

District Policy

The District has adopted the following Board Policies (BP) and Administrative Regulations (AR) for its business operations and facilities program:

Series 3000 – Business & Non-Instructional Operations (Select Items)

BP/AR	Description	Date of Adoption	Most Recent Date of Revision
BP 3280	Sale, Lease, Rental of District-owned Real Property	3/88	5/9/07
AR 3280	Sale, Lease, Rental of District-owned Real Property	9/90	5/9/07
BP 3300	Expenditures and Purchases	12/89	11/8/06
BP 3310	Purchasing Procedures	3/87	11/12/97
BP 3311	Bids	2/96	1/9/02
AR 3311	Bids	2/96	7/12/06
BP 3312	Contracts	9/88	7/12/06
AR 3312.11	State Allocation Board Contracts	9/91	11/8/00
BP 3314	Payment for Goods and Services	3/11/92	2/9/94
AR 3314	Payment for Goods and Services	10/93	11/14/07
BP 3321	Requesting Goods and Services	3/11/92	
BP 3400	Management of District Assets/Accounts	3/11/92	11/14/07
AR 3400	Management of District Assets/Accounts	10/93	6/95

Series 7000 – New Construction

BP/AR	Description	Date of Adoption	Most Recent Date of Revision
BP 7000	Concepts and Roles	7/22/92	
BP 7100	Planning and Design	7/22/92	
BP 7110	Facilities Master Plan	2/86	9/11/02
BP 7111	Evaluating Existing Buildings	7/22/92	
AR 7111	Evaluating Existing Buildings	2/86	12/12/07
BP 7130	Relations with Other Governmental Units – City, County, State	7/22/92	
AR 7130	Relations with Other Governmental Units – City, County, State	7/22/97	
BP 7131	Relations with Local Agencies	2/96	8/14/02
BP 7140	Architectural and Engineering Services	3/92	8/11/99
AR 7140	Architectural and Engineering Services	3/92	8/11/99
BP 7150	Site Selection and Development	2/99	8/14/02
AR 7150	Site Selection and Development	3/00	8/14/02
AR 7160	Charter School Facilities	11/02	10/12/05
BP 7200	Financing	7/22/97	
E 7200	Financing	7/22/97	
BP 7210	Facilities Financing	6/90	8/11/99
AR 7210	Facilities Financing	2/96	4/8/98

BP/AR	Description	Date of Adoption	Most Recent Date of Revision
BP 7211	Developer Fees	2/99	8/11/99
AR 7211	Developer Fees	2/99	11/8/00
BP 7212	Mello Roos Districts	2/99	4/9/08
BP 7213	School Facilities Improvement Districts	2/99	4/9/08
AR 7213	School Facilities Improvement District	2/99	8/11/99
BP 7214	General Obligation Bonds	7/01	5/9/07
AR 7214	General Obligation Bonds	7/01	5/9/07
BP 7310	Naming of Facility	7/22/92	10/13/93
AR 7310	Naming of Facility	10/13/93	

Observation

- A number of the District’s Board Policies and Administrative Regulations for its business operations and facilities program have been updated recently; e.g., BP/AR 3280, BP 3300, AR 3311, BP 3312, AR 3314, BP 3400, AR 7111, BP 7212, BP 7213, BP/AR 7214. However, many others have not been revised for some time. While the date of adoption or revision does not reflect on the quality and functionality of policies and regulations, because of continual changes in state laws and regulations that impact school districts, a periodic review is warranted.

Recommendation

- It is recommended that the District continue to review model policies and regulations prepared by organizations such as the California School Boards Association, and appropriately update select District policies and regulations accordingly.

Funding Formulas

The State of California, through its School Facility Program, provides funds for new school construction based on a 50/50 State/District match program. While the match is 50/50, the State’s 50 percent generally provides only about 40 percent of the cost of new construction, based on minimum housing standards, and is considered by professionals in school construction to provide insufficient funding for school facilities in terms of space and quality. In practice, most districts provide additional funding to enhance the scope, size and quality of school facilities.

During interviews with District personnel at all levels, it was consistently reported that the Natomas Unified School District provides funding above the 50/50 funding formula. In practice, in the absence of formal District policy, each school design project is budgeted according to perceived need.

To determine the actual funding practice in Natomas, the following new construction projects that received state grants were analyzed below:

New Construction Project	State Grant (50%)	Actual Cost¹	State Percentage
Two Rivers Elementary	\$5,362,508	\$13,573,392	39.5
Witter Ranch Elementary	6,231,428	13,395,320	46.5
Inderkum High	25,301,371	78,029,382	32.4
Heron Elementary	8,557,869	24,354,933	35.1
H. Allen Hight	29,319,603	\$103,371,250 ¹	28.4
Totals	\$74,772,779	\$232,724,277	32.1

From the above table, it can be seen that, for the five projects listed, the State provided 32.1 percent of the total project costs, while the District provided 67.9 percent.

¹ Source: District records provided by the Facilities and Planning Department via written and oral correspondence.

CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC)

California Education Code Sections 15278-15282 (Appendix C) establishes the duties of a school district and its duly formed citizens' oversight committee with respect to Proposition 39 bond measures. This code requires that the governing board establish and appoint members to an independent citizens' bond oversight committee within 60 days of the date that election results are certified.

After passage of Measure D on June 6, 2006, the District created a Citizens' Bond Oversight Committee (CBOC) to oversee Measure M and D. In March 2006, the Board appointed fourteen members to the CBOC, with initial membership representation from the following seven categories: (Note: Some members are assigned to more than one category.)

- Business Community (two members)
- Senior Citizens' Organization (one member)
- Taxpayers' Organization (none – no applications received)
- Parent or Guardian of child enrolled in the District (four members)
- Parent or Guardian of child enrolled in the District, plus Active in a Parent-Teacher Organization (one member)
- Community-At-Large (thirteen members)

To provide direction to the CBOC, in addition to law (Appendix C), the Board approved Bylaws on April 24, 2007. Those Bylaws set forth the duties and responsibilities of the CBOC, including a requirement to hold regular meetings at least quarterly.

The Committee has a website, as required by Education Code Section 15280(b), with access through the District's website under the Business Services Department. The Committee's website includes information on members of the Citizens' Bond Oversight Committee, Bylaws, meeting agenda and minutes, and performance audit reports.

According to District records, the CBOC held three meetings during July 1, 2007 through June 30, 2008: October 30, 2007, January 22, 2008 and April 22, 2008, as required by the Bylaws. The website identifies two future scheduled meetings on September 30, 2008 and November 18, 2008.

Commendation

- CBOC members are commended for actively investigating and preparing a post-construction review report on Measures M and D projects. Reports are prepared that include a summary of the project, a site inspection, and an inspection of District project records. This commitment of time by CBOC members goes beyond the normally expected level of effort by a committee member.

Recommendation

- It is recommended that a direct link to the CBOC website be established in the District's website Home Page. It is also recommended that direct links to Measures M and D facilities project reports be included in the CBOC website, in addition to access via the Facilities and Planning Department.

STATE SCHOOL FACILITY PROGRAM

Background

Board Resolution No. 02-28, dated July 17, 2002, which called for the Measure M bond election on November 5, 2002, included the following statement: “The District’s proposal for the projects may assume the receipt of matching state funds...” In a similar manner, Board Resolution No. 06-10, dated February 8, 2006, which called for the Measure D bond election on June 6, 2006, included the statement: “...become eligible for all additional State matching funds...” Therefore, by reference participation in the State School Facility Program (SFP) became an integral part of the District facilities program.

Both Measures M and D included projects that called for the acquisition of school sites and the construction of new school facilities, which are eligible for State matching funds. Accordingly, the District filed facilities applications under the following State programs:

40	-	Deferred Maintenance – Extreme Hardship
50	-	New Construction
52	-	Joint Use
57	-	Modernization
58	-	Rehabilitation

As of October 17, 2008, the District received the State grants summarized in the table below¹. (Detail is provided in the attached table.)

<u>State Program</u>	<u>SAB #</u>	<u>State Grant Amount</u>
<u>New Construction</u>		
Funded prior to M and D	50/001-004	\$35,130,207
Funded after M passed	50/005-012	53,743,756
Funded after D passed	50/013-014	30,559,901
Total New Construction		119,433,864
Deferred Maintenance	40/001	190,272
Joint Use	52/002	2,000,000
Modernization	57/001	528,629
Rehabilitation	58/001	2,421,699
Total State Grants		\$124,574,464

¹ Source: Office of Public School Construction/State Allocation Board website, which maintains current project status for all California school Districts.

As noted in the attached table, a joint use project at Inderkum High School has been approved by the state but has not yet been funded. No additional applications have been filed by the District as of June 30, 2008.

Commendation

- The District is commended for aggressively pursuing, and receiving, state facilities funds by utilizing various programs available under the School Facility program.

NEW CONSTRUCTION PROJECTS

Funded Prior to Measure M			
SAB #	School	Funding Date	State Match Amount
50/001	Natomas High	6/25/1999	\$16,734,172
002	Natomas Park Elementary	2/9/2000	5,845,021
003	Natomas Charter	8/9/2000	7,526,232
004	Discovery Continuation High	2/13/2001	4,999,782
004	Discovery Continuation High	5/22/2001	25,000 (LCP)
	Total		\$35,130,207
Funded After Measure M passed			
SAB #	School	Funding Date	State Match Amount
005	Natomas High	1/29/2003	\$3,421,729
006	Two Rivers Elementary	1/29/2003	5,362,508
007	Natomas Charter	4/2/2004	263,417
008	Natomas Junior High	1/29/2003	4,281,107
009	Jefferson Elementary	1/29/2003	324,327
010	Witter Ranch Elementary	2/19/2003	6,231,428
011	Inderkum High	5/27/2004	25,301,371
012	Heron Elementary	3/23/2005	8,502,877
012	Heron Elementary	5/26/2005	54,992 (LCP)
	Total		\$53,743,756
Funded After Measure D passed			
SAB #	School	Funding Date	State Match Amount
013	Natomas Charter	3/25/2008	\$1,240,298
014	H. Allen Hight Learning Center	3/17/2008	28,037,103
014	H. Allen Hight Learning Center	10/17/2008	1,282,500
	Total		\$30,559,901
Modernization Project			
SAB #	School	Funding Date	State Match Amount
57/001	Natomas Middle	1/19/2003	\$528,629
Deferred Maintenance Hardship Project			
SAB #	School	Funding Date	State Match Amount
40/001	American Lakes Elementary	12/8/2004	\$190,272
Rehabilitation Project			
SAB #	School	Funding Date	State Match Amount
58/001	American Lakes Elementary	9/20/2005	\$2,421,699
Joint Use Project			
SAB #	School	Funding Date	State Match Amount
52/002	Natomas Charter	3/25/2008	\$2,000,000
003	Inderkum High ¹		

¹This project was approved by the State Allocation Board on February 28, 2007. A state match amount of \$951,199 will be released to the District after required documentation is submitted and approved.

COMPLIANCE WITH BOND PROGRAM PROVISIONS AND RESTRICTIONS

Process Utilized

TSS examined the Board resolutions calling for the elections for the Measure M and Measure D school bonds and all other related documents and exhibits pertaining to the bond elections.

Background

This review assesses the provisions and restrictions stipulated in the bond measure language and documents and the Districts overall compliance with these legal and regulatory requirements. TSS has developed this assessment of compliance to better analyze the District's performance of the bond facilities program. It should not be viewed or relied upon as a legal opinion.

Bond Program Provisions

Expenditures to address specific facilities needs of the District must be in compliance with Education Code Sections 15264 – 15276 and the requirements of Article XIII A, Section 1(b)(3), of the State Constitution and Strict Accountability in Local School Construction Bonds Act of 2000. The following specific provisions were included in the District's ballot measure in an effort to assure the voters and taxpayers in the District that their money will be spent wisely and appropriately.

- The School Board will identify the outlined District facilities needs and identify which projects are to be funded from bond proceeds. The District will also certify that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project list.
- The School Board shall establish an independent Citizens Oversight Committee as required by Education Code Section 15278 to ensure that bond proceeds are expended only on the specific projects identified by the district. The Committee shall be established within 60 days of the date the results of the election is certified.
- The School Board shall conduct an annual, independent performance audit to ensure that bond proceeds have been expended only on the projects listed.
- The School Board shall conduct an annual, independent financial audit of the bond proceeds until such time that all bond proceeds have been expended for the projects listed.
- Proceeds from the sale of bonds shall be used only for the construction, reconstruction and/or rehabilitation of the school facilities including the furnishing and equipping of school facilities or acquisition or lease of real property and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

TSS has determined that the Natomas Unified School District does comply with the provisions and restrictions outlined in the bond documents as above enumerated.

Observations

- The District prepared “Specific School Facilities Projects” to be funded for each Measure M and D Bonds prior to the bond election and these lists were included as exhibits or attachments to the bond measure.
- The School Board established an independent Citizens’ Oversight Committee in accordance with Education Code Section 15278. Please refer to the Citizens’ Bond Oversight Committee section of this report for more information regarding the work of this committee.
- Gilbert Associates, Inc. conducted an independent performance audit, based on “Agreed Upon Procedures” for Measure M and D bonds during the period July 1, 2006- June 30, 2007. The annual performance audit for the current period, July 1, 2007 - June 30, 2008, is being conducted by Total School Solutions (TSS).
- Gilbert and Associates, Inc. conducted the annual, independent financial audits of Measure M and D bond proceeds during the previous fiscal years and will continue to do so for the current fiscal year.
- The District did not use bond proceeds from Measures M and D for purposes not included in the bond language, including teacher and administrator salaries or other operating expenses. The portion of time devoted to administration and execution of Measures M and D bond projects by the Assistant Superintendent for Facilities and Planning, the Project Manager, the Facilities and Planning Technician and the facilities department Administrative Assistants were paid through the bond program. In March 2008, the District implemented a time-tracking system for all staff time expended on bond program projects retroactive to July 1, 2007 to more accurately account for bond expenses.

Findings

- There are no findings in this section.

DESIGN AND CONSTRUCTION SCHEDULES AND BUDGETS

Process Utilized

In preparation for this review, TSS reviewed District documents including Measures M and D bond language, School Board meeting minutes, School Board Facilities Workshop documentation, Proposition 39 legal requirements, capital fund cash flow reports, Citizens' Bond Oversight Committee reports, and the District's facilities master plans. TSS interviewed District staff and consultants to the District who were involved in the design and construction of the facilities projects during the period July 1, 2007-June 30, 2008.

Background Information

Since the lifting in 1998 of an eight-year building moratorium in the Natomas area of Sacramento County, the Natomas Unified School District has been one of the fastest growing Districts in Northern California. This growth has had a significant impact on the District and its building program. The subsequent decline in the housing market in the past year has had a profound impact as well.

During the 2007-8 audit period the District growth slowed substantially. The District was completing the construction of new schools without new enrollment to fill the facilities. Enrollment is currently increasing at a much slower rate; however, the District is faced with a new building moratorium in Sacramento County, which will begin in December 2008. This has the potential of slowing growth even further.

Project Delivery

The District has used a number of project delivery methods, including the standard Design-Bid-Build process and Lease Lease-Back (LLB) process. In the LLB process an architect and a contractor are hired early in the design process and work collaboratively to develop the design and construction documents for the project. A District may hire both companies as a single entity or contract with each company separately. For both the Inderkum High School and the H. Allen Hight Learning Center projects, the contracts were separate. In the LLB process, the contractor provides cost and design input to create the most cost effective design. The contractor then bids the trade contracts and presents the District with a Guaranteed Maximum Price (GMP). The contractor assumes responsibility for the cost of any changes to the contract during construction, with the exception of District requested scope changes. Staff indicates that this process has been very successful at the H. Allen Hight Learning Center and that there was considerable cost savings generated. The District anticipates receiving a refund of \$1,025,266 in the final change order as their share of the unused project contingency. The project contingency is separate from the construction contingencies that will be subsequently discussed.

The Lease Lease-Back process is becoming more widely used in school Districts, primarily due to the ability of a school District to select a general contractor/construction manager based on qualifications and relationships rather than bid price. Promoters of the LLB process maintain that claims from the contractor and subcontractors are reduced or eliminated; the potential for claims-based litigation is reduced; change orders due to inadequate documentation are reduced; and the total cost of the project is reduced. However, this process can be less competitive. The LLB process can provide the District with a number of advantages. In the H. Allen Hight Learning Center project, the GC provided all cost estimating for the project during the design and construction document phases. This process also allows the GC an extended period of time to review the documents and establish a firm contract cost.

Unfortunately, the District partially lost the above noted advantage when trade contracts were bid prior to document completion and, instead, contingencies were included to account for the missing documentation. At the H. Allen Hight Learning Center project there were a total of 10 construction contingencies, in addition to the project contingency, included in the Guaranteed Maximum Price. The total for these construction contingencies was \$5,153,270. In a report dated February 15, 2008, the General Contractor (GC) reported that they had exceeded those contingencies by \$2,684,548. The total of \$7,837,818 far exceeds the refund the District received for the project contingency, previously noted.

The LLB process meets the provisions of the Education Code. However, there is the potential that the District is not getting the best value for the bond money by utilizing this process due to the lack of a competitive check on the contractor's pricing. There is a reduction in risk of claims and litigation with this process, which is a benefit to the District. However, there is a price associated with that risk reduction. The total project cost for the H. Allen Hight Learning Center project was approximately \$490 per square foot. The GC's fees, including general conditions, insurance and builders risk, bonds, fees and contingency was approximately 16 percent of the total construction cost. Although this percentage varies with the market fluctuations, typical values are closer to 11 percent to 12 percent. Similarly, the fees for architectural services were \$4,950,956 or 6.6 percent of the construction cost. Typical fees for projects of this scope range from 5.25 percent to 5.5 percent.

Project Schedules

Most of the projects conducted during this audit period had commenced prior to July 1, 2007 and did not have established project schedules. Projects were completed in reasonable timeframes with a few exceptions. The District reports that the H. Allen Hight Learning Center project experienced delays and added costs due to the architect's untimely submittal for offsite and utility work. Work commenced on the site work for the project in late April of 2006, but approval of the offsite work from the City of Sacramento was not received until the spring of 2008. Staff reports that the lack of an electrical power connection to the site required the installation of temporary power at a considerable cost to the District and the lack of a water connection created a potential delay to the installation of landscaping and a storm water connection, which created the potential for site flooding during the winter months. The District staff worked closely with the City of Sacramento to obtain connections for water and storm drainage prior to the formal offsite approval to mitigate these delays and potential problems.

To meet the occupancy schedule for the H. Allen Hight Learning Center, the construction trade packages were bid prior to the completion of the final construction documents and approval from the DSA. As noted above, this required the GC to include construction contingencies for the estimated cost of that work, without complete documentation.

At the commencement of this project there was little definition of the project scope, budget or schedule. The architect developed the design criteria with the assistance of District staff and the budget was determined based on the design. The estimated project costs more than doubled which was a contributing factor in the excessive cost of the project.

The H. Allen Hight Learning Center consists of a separate K-5 elementary school and a 6-8 middle school on the same site. The project was completed in August 2008 and the elementary school occupied in late August 2008. Due to the slowing enrollment growth in the District, the opening of the middle school has been delayed. The School Board is currently discussing potential opening dates and alternative uses for this portion of the project.

Staff reported delays in the initial design of the Natomas Charter School Theater. When the design process was initiated, the project scope was not well defined. Discussions by the Charter School staff on the scope of the project and the project delivery method caused delays in the project progress. District staff took over management of the project from the Charter School; hired a theater consultant and got the project back on track. The project was completed and occupied in the fall of 2007.

Project Sustainability

The H. Allen Hight Learning Center was designed to meet the standards of the Collaborative for High Performance Schools (CHPS). The project included an Energy Star™ roof, recycled materials, and a green roof incorporating soil and plant material as insulating materials. It was also an energy efficient design, exceeding State energy standards by 30 percent. These design characteristics should provide operational cost savings to the District for the life of the facilities.

Project Budgets

The budgets and priorities for Measure D projects were set at a School Board Facilities Workshop in June 2007. This process was completed after the District conducted a survey of the community to provide input on priorities. The budgets and priorities are indicated below:

Priority	Project Budgets and Priorities*	Current Projected Costs
1	Computer and Support Infrastructure	\$5,000,000
2	Security Cameras	\$0
2	Security Systems	\$800,000
3	Safe Routes to Schools	\$1,000,000
4	Playground Improvements	\$1,000,000
5	Shade Structures	\$480,000
6	Athletic Fields and Track Upgrade	\$7,076,396
7	Busses and Service Vehicles	\$500,000
8	Preschool Facilities	\$4,000,000
9	Natomas Charter Gym	\$2,761,205
9	Natomas Charter Theater	\$314,805
10	Inderkum Supplemental	\$0
11	HIS - 2005 COP Financing	\$63,419,804
12	Heron Supplemental Funding (K-8 Conversion)	\$2,525,204
13	Grade Conversion	\$28,000,000
14	SVTHS Site Facilities Acquisition	\$0
15	Westlake Charter Site Facilities Acquisition	\$1,129,388
16	Forecast Elementary Site	\$0
17	H. Allen Hight Middle	\$14,514,378
18	H. Allen Hight Elementary	\$10,899,500
19	West Lakeside Site	\$888,500
	Annual Independent Audits	\$38,400
	Project Management (For 2008-09 & 2009-10)	\$821,918
	Total Projected Allocations	\$145,169,498

*From the "Board Facilities Workshop – *Facilities Use & Planning* – June 2008", Presentation by the Facilities & Planning Department

Shade Structures

Shade structures for Jefferson Elementary, Bannon Creek Elementary, American Lakes Elementary, Natomas Park Elementary, Two Rivers Elementary, Heron School and Westlake Charter schools were purchased on a piggyback contract through Chula Vista Unified School District. A piggyback contract with a public agency is bid as a unit cost with an indeterminate quantity. Other public agencies are then allowed to purchase items from the contract on a per unit basis. The shade structures and the corresponding installation were purchased on a contract with National Carport Industries, Incorporated, approved by the Board on December 12, 2007 and were approved by the Division of the State Architect. These shade structures were installed during the summer of 2008 while school was out of session, avoiding disruption to the educational program. By utilizing the piggyback process the District avoided additional costs for bidding these projects.

K-8 Conversions

Funding was included in Measure D for the conversion of K-5 schools to K-8 schools. The District is currently in the conceptual phase of studying the facility needs and the site designs for these schools. Jefferson Elementary and Bannon Creek Elementary have been selected as possible sites for this conversion, but only one of the sites will ultimately be converted.

Observations

- There were no design and construction related activities using Measure M funding during this audit period.
- In July 2007, a change in the leadership of the Facilities and Planning Department was undertaken. In conversations with District staff and consultants TSS noted significant changes in the management of the projects, and coordination with the District's consultants. Due to the early approval by the City of Sacramento of the offsite and utility work in H. Allen Hight Learning Center, it appears that the communication and coordination with the City of Sacramento has also improved.
- At the June 2008 School Board Facilities Workshop, the need for a comprehensive, program-driven facilities master plan was identified. The District staff is in the process of preparing a master plan that will coordinate the schedules, budget and scope of future projects. This will be an important tool in planning and timing future facilities needs.
- A concern is noted that allowing the middle school portion of the H. Allen Hight Learning Center to remain unoccupied for a period of time could affect the warranty. Typical design and construction warranties are for a period of one year after the completion of the project. Some equipment warranties may exceed that time. Without occupants, the systems, equipment and materials will not be thoroughly tested and evaluated and some discrepancies could go unnoticed until after the warranty period has expired. The District has negotiated an extended warranty for the project to address this issue.
- Staff is in the process of developing planning documents that will better allow them to manage the budgets, scope and schedule of future projects.

Commendation

- Improvement in leadership and management ability has been observed with the new leadership of the Facilities and Planning Department. A good example of this change is the process underway to complete a comprehensive facilities master plan. Coordination with consultants has improved and the relationships with local and State agencies has improved.

Recommendations

- The District reports that the development of the educational specifications for each project is different. Educational specifications define the facilities needs required to deliver the educational program. Standards for the educational specifications for projects with similar educational programs should be developed and used as the basis for site specific design criteria.
- The District should complete the comprehensive facilities master plan under discussion and use that document as a planning tool on the remaining Measure D projects.
- The District should develop formal guidelines for the design and management of construction projects. These standards should include guidelines for managing and coordination of the consultant teams during the pre-design, design, bidding, construction phases and closeout phases of projects. These guidelines could be used as a checklist for current personnel and as an instructional resource for new employees. In addition, educational and facilities standards that are applicable to all schools of a specific grade configuration should be developed as a guide for developing new school designs.

CHANGE ORDERS, CLAIM PROCEDURES, AND RESULTS

Process Utilized

During the process of this examination, TSS analyzed relevant documents and conducted interviews with the Facilities and Construction Management Team. Information provided from the 2007-08 Board of Education meeting agendas and minutes related to the bond measure were also used in this review.

Background

Change Orders occur for a variety of reasons. The most common reason is discrepancies between the actual condition of the job site and the architectural plans and drawings. Change orders for modernization typically cannot be avoided because of the age of the buildings, inaccuracy of as-built records, presence of hidden hazardous materials or other unknown conditions that contribute to the need for authorizing change orders for additional work. Change orders for new construction projects can be caused by unknown soils conditions, however, the most common cause are inaccuracies in the project documents and District requested changes. The industry-wide percentage for change orders for modernization projects generally range from 7 to 8 percent of the original contract amount, while new construction change orders range from 3 to 4 percent of the original contract amount.

Most change orders are triggered by a Request for Information (RFI), which is a request for clarification in the drawings or specifications which is reviewed and responded to by the architect and/or project engineers. The architect's response or directive determines whether additional or alternative work is necessary. If it is determined that additional work or a reduction/deletion in work is necessary, the contractor submits a Proposed Change Order (PCO) or a Change Order Request (COR), for the additional cost or a reduction in cost and/or time extension based on the determination. Change orders could also be triggered by the owner's request for a change (addition or deletion) to the scope of work. The Project Manager (PM) or Construction Manager (CM) reviews the proposal with the inspector, architect of record, and/or the District representative.

The District awarded lease-leaseback contracts for the H. Allen Hight Learning Center construction project and the Heron K-8 Physical Education Structure Project with predetermined contingencies or "allowances" included in the Guaranteed Maximum Price (GMP). These allowances were included for the purpose of setting aside funds within the contract to be used for unforeseen conditions and known but indeterminate issues, such as incomplete design and material quantities and/or prices at the time the GMP was finalized.

Change Order Sampling

Various active construction projects funded under the Measures M and D bond programs were examined as part of this audit process. TSS reviewed individual change orders and corresponding backup documents including RFI's, PCO's or COR's, invoices, estimate sheets, e-mail exchanges and other correspondence for completeness and consistency. Change order files and backup documentation for the projects were reviewed to determine if documentation and justification for the changes requested was present and substantiated by the proposed costs. The following table entitled, "Change Orders: Bond Program Projects" summarizes the change orders reviewed for Measure M and D projects.

Change Orders : Bond Program Projects

School Site	Project Description/ Contractor	Contract Amount/ Award Date	Change Order No. / Date	Date Approved	Amount \$	% of Original Contract Amount	Adjusted Contract Amount
Measure M.							
(Jefferson, Bannon Creek, American Lakes, Natomas Park, Two Rivers, Heron and Westlake Charter Elem. Schools	Supply/Install Shade Structures/ National Carport Industries (Piggyback contract with Chula Vista Elem. School District)	\$384,770 (12/12/07)			\$0	0.00%	\$384,770
Measure D.							
H. Allen Hight Learning Center	New School Construction / Turner Construction Co. Increment I	\$4,504,800 (01/27/2006)	1	(10/31/06)	\$414,719	9.21%	\$4,919,519
	Increment II	\$66,113,867 (11/09/2006)	1	(04/27/07)	(\$414,719)	-0.63%	\$65,699,148
	Guaranteed Maximum Price (GMP) ¹ (Lease-leaseback Contract)	\$70,618,667	2	(04/27/07)	\$2,192	0.00%	\$65,701,340
			3	(06/05/07)	\$166,700	0.25%	\$65,868,040
	Contingency/Allowance (Included) ²	\$5,153,270	4	(01/31/08)	\$282,660	0.43%	\$66,150,700
			5	(05/14/08)	\$2,983,474	4.51%	\$69,134,174
		6	(03/25/08)	\$1,317,304	1.99%	\$70,451,478	
				Total	\$4,752,330	6.73%	\$75,370,997
Heron K-8 School	P. E. Structure Project	\$2,015,000 (03/08/2006)	1	(08/08/07)	\$12,833	0.64%	\$2,027,833
	Mascon, Inc (Lease-leaseback Contract)		2	(12/12/07)	\$15,312	0.76%	\$2,043,145
	Contingency/Allowance (Included) ³	\$82,341		Total	\$28,145	1.40%	
Natomas Middle School	Westlake Charter School Relocation/ C & C Construction, Inc.	\$615,905 (05/23/2007)	1	(07/19/07)	\$38,212	6.20%	\$654,117
			2	(09/12/07)	\$57,126	9.28%	\$711,243
			3	(10/10/07)	\$20,029	3.25%	\$731,272
				Total	\$115,367	18.73%	
	Relocatable Moving Services/ Douppnik Construction	\$86,000 (05/30/2007)	1	(07/018/07)	\$1,280	1.49%	\$87,280
Natomas Charter School	Gymnasium Construction Project/ Meehleis Modular Buildings	\$3,834,327 (05/23/07)	1	(06/13/07)	(\$103,635)	-2.70%	\$3,730,692
			2	(06/25/07)	\$0	0.00%	\$3,730,692
			3	(09/12/07)	\$347,918	9.07%	\$4,078,610
			4	(09/12/07)	\$250,660	6.54%	\$4,329,270
			5	(12/12/07)	\$297,844	7.77%	\$4,627,114
			6	(04/09/08)	\$22,319	0.58%	\$4,649,433
			7	(05/14/08)	\$1,920	0.05%	\$4,651,353
			Total	\$817,026	21.31%		

Change Orders : Bond Program Projects

School Site	Project Description/ Contractor	Contract Amount/ Award Date	Change Order No. / Date	Date Approved	Amount \$	% of Original Contract Amount	Adjusted Contract Amount
Natomas High School and Inderkum High School	Track & Field Renovation/ Mascon, Inc. (Site work)	\$2,614,850 (11/14/07)	1	(05/14/08)	\$78,068	2.99%	\$2,692,918
			2	(05/28/08)	\$84,996	3.25%	\$2,777,914
			3	(9/10/08)	\$6,261	0.24%	\$2,784,175
			Total	\$169,325	6.48%		
Various School Sites (Jefferson, Bannon Creek & American Lakes Elementary Schools)	Purchase and Retrofitting of Playground Equipment/ (All About Play thru the US Communities Program)	\$591,059 (12/12/07)			\$0	0.00%	\$591,059
Grand Total		\$80,760,578			\$5,883,473	7.29%	

¹ The Guaranteed Maximum Price (GMP) includes a \$5,153,270 "Allowance" for certain work that the bid amount has not been secured and for items that have not been fully designed or described to a certain degree where accurate pricing can be obtained at the time when the GMP was finalized.

² The District staff reports that they anticipate a refund of \$1,025,266 in Change Order 7 as the District's share of the unused project contingency. Since this Change Order was not processed during the audit period covered by this report, it will be included in the next performance audit.

³ The Guaranteed Maximum Price (GMP) includes a \$82,431 "Allowance" for unforeseen conditions and other un-anticipated field changes.

Reasons for Change Orders

Change orders presented to the Board of Education for ratification and approval are each comprised of several Proposed Change Orders (PCO's) or Change Order Requests (COR's) previously approved by the Superintendent or his designee. TSS reviewed PCO's and COR's attached to the change orders, the descriptions and reasons for each change, approved time extensions and negotiated costs. The resulting data are shown in the following table entitled, "Change Order Analysis (FY 2007-08)":

Change Order Analysis (Fiscal Year 2007-08)

School Site / Project	Contractor / Change Orders	Unforeseen Conditions	Allowance Overages / Returns	DSA Required Changes	A / E Design Issues	Owner Requested Changes		Totals
						Scope Additions	Scope Deletions	
Measure D								
H. Allen Hight Learning Center New School Construction	Turner Construction, Inc. (CO # 1 thru 6)	\$0 0.00%	\$2,161,761 45.49%	\$449,360 9.46%	\$1,895,042 39.88%	\$551,279 11.60%	(\$305,112) -6.42%	\$4,752,330 100%
Heron K-8 School P. E. Structure Project	Mascon, Inc. (CO # 1 thru 2)	\$0 0.00%	\$12,833 45.60%	\$0 0.00%	\$0 0.00%	\$15,312 54.40%	\$0 0.00%	\$28,145 100%
Westlake Charter School Relocation to Natomas MS	C & C Construction, Inc. (CO # 1 thru 3)	\$31,045 26.91%	\$0 0.00%	\$0 0.00%	\$36,755 31.86%	\$50,928 44.14%	(\$3,361) -2.91%	\$115,367 100%
Natomas Charter School Gymnasium	Meehleis Modular Bldgs (CO # 1 thru 7)	\$4,319 0.53%	\$0 0.00%	\$0 0.00%	\$14,131 1.73%	\$906,368 110.94%	(\$107,792) -13.19%	\$817,026 100%
Natomas & Inderkum High School Track & Field Site Work	Mascon Inc. (CO # 1 thru 3)	\$33,352 19.70%	\$0 0.00%	\$0 0.00%	\$84,209 49.73%	\$59,576 35.18%	(\$7,812) -4.61%	\$169,325 100%
	Grand Total	\$68,716 1.17%	\$2,174,594 37.15%	\$449,360 7.68%	\$2,030,137 34.68%	\$1,583,463 27.05%	(\$424,077) -7.24%	\$5,854,048 100%
						\$1,159,386 19.80%		

As shown on the table, “Allowance Overages and Returns” constitute 37.15 percent of the total cost of change orders reviewed. These change orders occurred with the lease-leaseback contracts; the H. Allen Hight Learning Center Construction Project for \$2,161,761 and the Heron K-8 Physical Education Structure Project for \$12,833. The actual costs of both of these projects exceeded the designated contingencies or allowances that the contractor, design team and the District agreed to include in the GMP. Justification and documentation for these changes, which included variances between the anticipated and the actual designs, drastic escalation of the cost of materials and other circumstances were provided by the contractor to support the request for the additional expenditures.

The table indicates that “Architect/ Engineer (A/E) Design Issues” constitute 34.68 percent of the total cost of change orders reviewed during the 2007-08 audit period for the projects examined. These changes include additions, deletions and revisions in the work triggered by errors, omissions and field generated design changes in various sections or details of the construction drawings and specifications. These factors combined for significant additional costs to the H. Allen Hight Learning Center Construction Project, for \$1,895,042, the Westlake Charter School Relocation Project for \$36,755, and the Natomas and Inderkum High School Track & Field Renovation Project for \$84,209.

The category “Owner Requested Changes”, which is comprised of District requests to add or delete from the scope of the project and to value engineer (changes and substitutions to specified materials, equipment or design) specific items of concern to the District, constitute 19.80 percent of the total change orders reviewed during the 2007-08 audit period. These changes include substitutions or upgrades to windows, tiles, carpets, casework, additional fencing, paving or equipment purchases and others as directed by the District during the course of construction. “Owner Requested Changes”, which occurred in all five projects reviewed, was the most prevalent reason for change orders during this audit period.

The “Department of State Architect (DSA) Required Changes” constitute 7.68 percent of the total cost of change orders reviewed. The changes required by the DSA are based on findings during the design/plan review or during field inspections and are designed to bring building components up to compliance with the most current building codes. At the H. Allen Hight Learning School Construction Project, the construction team was directed by DSA to add fireproofing to structural beams, and interior and exterior stucco surfaces to comply with the most current Title 24, Fire and Life Safety Code.

Lastly, the category “Unforeseen Conditions” constitutes 1.17 percent of the total cost of change orders for this audit period. Common conditions reported as unforeseen include the discovery and subsequent removal or relocation, and replacement of underground utilities such as irrigation lines, electrical conduits, and storm and sewage lines in locations that do not match or are not shown in available drawings.

Observations

- Change orders on lease-lease/leaseback contracts are typically comprised of District requests to add to or delete from the scope of the project and to value engineer (changes and substitutions to specified materials, equipment or design) specific items of concern to the District. However, in the case of H. Allen High Learning Center Construction Project, the District and contractor agreed to finalize the GMP although some components of the plans and specifications were incomplete. Allowances were included in the GMP for the incomplete components of the plans, but those allowances were not adequate. As a result, a change order for \$2,161,761 was submitted by the contractor for cost overruns in addition to the \$3,000,000 miscellaneous metals allowance already included in the contract.
- The District created and maintains a comprehensive project filing system. Change order documents and related supporting documents (CO's, CCD's, RFI's, PCO's, plan/drawing cut sheets, cost estimate sheets, e-mail correspondence, letters, etc.) for the projects examined adequately provide a trail of records that document the evaluation, review and approval process that is currently being implemented by the construction team.
- "Architect Design Issues" that trigger change orders and generate additional costs to the owner/District are common occurrences in construction projects. However, some of the issues reported, such as errors and omissions can be prevented and should be minimized.
- As shown in the "Change Orders: Bond Program Projects" table, the average change order percentages for Measure D projects reviewed during this audit period was 7.29 percent. This percentage is 3-4 percent greater than the industry-wide levels for new construction projects.
- The District's current practice is for staff to review, approve and authorize the execution of individual change order items at the field level and then bundle them for Board approval. This practice appears to work well for the District. However, best practices warrant that written authorization from the Board of Education should be completed in advance, to give staff the authority to approve change orders and authorize payments. In addition, such documents should define the limits of the delegated authority in terms of cost and scope of the changes.
- As shown in the "Change Orders: Bond Program Projects" table, two projects had a total aggregate change order amount in excess of 10 percent of the total contract amount. However, the District's legal counsel has opined that individual changes within change orders, and not the aggregate value of all change orders, must be less than 10 percent. All individual change orders noted were in compliance with this opinion.

Findings

- There are no findings in this section.

Recommendations

- The District should exert more effort in ensuring that District architects and their engineering consultants exercise diligence in coordinating drawings to minimize, if not eliminate errors and omissions, and other issues such as conflicts in elevations, dimensions or locations of utilities. These design issues trigger change orders and generate additional costs to the project, which can be avoided. Staff should create and implement a constructability review process which allows for a system of checks and balances to identify conflicts among different components of the construction documents, ensure compliance with current building, fire and life safety codes and ensure that the drawings are constructible. In addition, the District may consider filing legal claims against the architect or design team if warranted, by an in-depth review of the documented errors and omissions issues that have arisen to date.
- The District should be cautious about bidding a project prior to the completion of the construction documents and approval by the DSA. Incomplete documentation is likely to lead to change orders and cost overruns, as was the case at the H. Allen Hight project. The risk and cost of bidding prior to the completion of documents and the approval of DSA must be weighed against the constraints of the schedule, which could include costs of an accelerated construction schedule or for temporary housing if a project is not completed on time.
- It is recommended that staff obtain from the Board of Education a resolution or other authorization that will formally authorize staff to approve change orders and authorize payments. Authority is already granted by past practices.

PAYMENT PROCEDURES

Process Utilized

In the process of this examination, numerous purchasing and payment documents pertaining to expenditures funded through Measures M and D were reviewed for compliance. Interviews were held with the appropriate staff regarding payment procedures and processes.

The review consisted of the following:

- Verification that expenditures charged to the Measures M and D Bond were authorized as Measures M and D projects;
- Compliance with the District's Purchasing and Payment policies and procedures;
- Verification that back up documentation, including authorized signatures, were present on payment requests; and
- Vendor payment timelines.

Background

Board Policy 3310 Purchasing Procedures states the following:

The Superintendent or designee shall maintain effective purchasing procedures in order to ensure that the maximum value is received for money spent by the District and that records are kept in accordance with laws.

Insofar as possible, goods and services purchased shall meet the needs of the person or department ordering them at the lowest price consistent with standard purchasing practices.

All purchases shall be made by formal contract or purchase orders, or shall be accompanied by a receipt. Purchases made without prior approval by designated District personnel are subject to disapproval and payment of such purchases may be the responsibility of the purchaser.

This policy was last revised on November 12, 1997.

Purchase orders are initiated shortly after a contract is awarded by the Board of Education. Staff within the Facilities Department is responsible for initiating the purchase requisition including the appropriate budget information; the requisitions are approved by the Assistant Superintendent of Facilities and Planning.

Invoices for facilities and construction projects are sent directly to the Facilities Department where they are time stamped and reviewed. They are then routed to the Accounts Payable Office where the invoice is formally logged into the system. Once logged, it is returned to the Facilities Department for approval. The Assistant Superintendent of Facilities and Planning is responsible for reviewing and approving all facilities funded invoices; this includes payments funded by Measures M and D.

Change orders are not paid unless formal action has been taken by the Board of Education authorizing a change order. If an unapproved change order is included on a payment application, the contracted is directed to revise the payment application and resubmit. According to staff, the desired timeline in which invoices are to be paid is thirty-days from the receipt of the invoice.

According to staff, in most instances retention is released only after the Notice of Completion is filed and the 35-day waiting period has passed. However, if due to some compelling reason a contractor requests to have retention reduced and has completed seventy-five percent of the project, the Board of Education may approve the request as allowed by Public Contract Code 9203. While this has occurred in the past, it is considered an uncommon practice. In this type of situation, retention would not be reduced below five percent.

Sample

Fifty-nine invoices totaling \$8,071,419.33, expended through Measures M and D funds were reviewed in the course of this examination. The review consisted of verification of approvals (i.e., owner, architect and inspector); verification of the invoice amount; agreement of the invoice amount and the actual amount paid; and processing time to pay vendors or service providers.

The sample of payments included the following Measure M projects:

- Shade Structure at American Lakes, Bannon Creek and Jefferson Elementary Schools
- Video Surveillance at American Lakes Elementary, Bannon Creek Elementary, Leroy Green Elementary, Natomas Middle, Two Rivers Elementary, Witter Ranch Elementary, Heron Elementary, Natomas Park Elementary, Jefferson Elementary, and Inderkum High School.
- 2008 Variable-Seating Conventional School Bus
- Reimbursement (Sewer Impact Fees for the Central Kitchen Facility)

The sample of payments included the following Measure D projects:

- Portables for West Lake Charter
- Relocatables for West Lake Charter
- Voice, Video and Data System for West Lake Charter
- Playground Equipment for West Lake Charter, American Lakes Elementary, Jefferson Elementary, Natomas Park Elementary, and Two Rivers Elementary School
- Computer and Technology Equipment for the Computer Refresh Program
- Classroom Furniture
- Wall-mount and Cabinets for Natomas High School
- Voice and Data Cabling for Natomas High School
- Consulting Services for the Computer Refresh Program
- Projector, Installation of Data and Cabling for Jefferson Middle School
- Project Management Services and Architecture Fees
- Track and Field Purchase and Installation
- 2005 COP Payment – School Financing - Inderkum High School and Hight K-5 and 6-8

Commendations

- District staff is commended for its accounting records. The system organizes expenditures by fund, project and site, enabling easily generated reports that provide specific information as needed.

- Staff is conscientious in checking all required approvals. The payments are organized and back-up documentation is complete.

Observations

- All of the invoices reviewed were authorized expenditures under the Measures M and D Bond.
- All of the invoices included in the sample showed evidence of being appropriately reviewed and approved.
- Many of the payments were found to have been paid after the desired thirty-day timeframe in which vendors are to be paid. This is likely attributable to the turn over in the Account's Payable position responsible for processing construction payments. According to staff, the position has been filled and things are improving; the Facilities Accounting Specialist also assists with processing payments when necessary.

Findings

- There are no findings for this section.

BEST PRACTICES IN BIDDING AND PROCUREMENT

Process Utilized

In the course of this examination, purchasing documents, bid documents and payment documents pertaining to construction projects and equipment purchases/projects funded by Measures M and D during the audit period of July 1, 2007 through June 30, 2008 were reviewed, as well as the board agendas, corresponding minutes and board item backup documents. Purchasing documents were reviewed and analyzed. Interviews were held with the appropriate staff.

The review consisted of the following:

- Verification that items procured through the Measures M and D Bonds were authorized as Measures M and D projects/purchases;
- Verification that the method of procurement was in accordance with public contract code;
- Verification the contract awarded was approved by the board; Verification that bids were advertised in accordance with public contract code;
- Verification of bid results and board approval;
- Project files include contract documents, notice of award, notice to proceed and other pertinent documentation.

Background

Best practices in procurement of materials and services ensure the most efficient use of resources. Efficiency can be gained by enforcement of contract language, management of consultants, and the understanding of cause and effect of a market economy. It was the intent of this portion of the examination to determine that best practices are promoted and utilized.

Public Contract Code, Board Policies and Administrative Regulations

Public Contract Code 20111 requires school Districts to seek competitive bids through advertisement for contracts involving an expenditure of \$15,000 or more for public works. Contracts are awarded to the lowest responsible bidder.

Public Contract Code 20111 also requires school Districts to competitively bid and award any contract involving an expenditure of more than \$50,000 (adjusted for inflation) to the lowest responsible bidder. Contracts subject to competitive bidding include: purchase of equipment, materials, or supplies to be furnished, sold, or leased to the school District. From January 1, 2008 through December 31, 2008 the bid threshold was set at \$72,400.

Board Policy 3300(a) Expenditures and Purchases, designates the Superintendent or designee to purchase supplies, materials, apparatus, equipment and services up to the amounts specified in Public Contract Code 20111, beyond which competitive bidding process is required. This policy was updated on November 8, 2006.

Board Policy 3311 Bids, states the District shall seek competitive bids through advertisements for contracts involving an expenditure of \$15,000 or more for a public project (Public Contract Code 20111). Competitive bids shall be sought through advertisement for contracts exceeding \$72,400 for the following: purchase or lease of equipment, materials or supplies; services, not including construction services, or special services and advice in accounting, financial, legal or administrative matters; and repairs, including maintenance that is not a public project. Unless otherwise authorized by law, contracts shall be let to the lowest responsible bidder who shall give such security as the Board of Trustees requires, or else all bids shall be rejected (Public Contract Code 20111). This policy was updated on August 12, 2006.

Administrative Regulation (AR) 3311 (a) Advertised Bids – The District shall seek competitive bids through advertisement for contracts involving an expenditure of \$15,000 or more for a public project (Public Contract Code 20111).

Administrative Regulation 3311 (b), Bids – No work, project or service or purchase shall be split or separated into smaller work orders or projects for the purpose of evading the legal requirements of Public Contract Code 20111-20118.4 for contracting after competitive bidding (Public Contract Code 20116).

Administrative Regulation 3311 (b) Instructions and Procedures for Advertised Bids – The Superintendent or designee shall call for bids by advertising in a local newspaper of general circulation, at least once a week for two weeks. The notice shall state the work to be done or materials or supplies to be furnished and the time and place where bids will be opened (Public Contract Code 20112).

Administrative Regulation 3311 (b) Bids Not Required - Upon determination that it is in the best interest of the District, the Board may authorize the purchase, lease or contract for data-processing equipment, purchase materials, supplies, equipment, automotive vehicles, tractors and other personal property through a public corporation or agency (“piggyback”) without advertising for bids (Public Contract Code 20118). This Administrative Regulation was updated on 7/12/06.

Administrative Regulation 3311 (f), Prequalification Procedure – For any contract for which bids are legally required, the Board may require that each prospective bidder complete and submit a standardized questionnaire and financial statement. For this purpose, the Superintendent or designee shall supply a form which requires a complete statement of the bidder’s financial ability and experience in performing public works. Prospective bidders shall submit the questionnaire and financial statement at least five days before the date fixed for public opening of sealed bids. The Superintendent or designee shall establish a uniform system for rating bidders.

District Procedures

The District’s bidding process for facilities funded projects and purchases, including advertisements are handled by the Facilities Department.

According to staff, over the last few years the District’s boilerplate has been reviewed by several legal firms and county counsel. A major re-write to the boilerplate occurred to include various provisions pertaining to liability clauses. “Division 0” in the specifications is complete with all components needed for a valid bidding process. These specifications are designed appropriately to protect the District against claims.

For most projects that exceed \$50,000 the District utilizes a prequalification process. A perspective bidder is required to complete the prequalification questionnaire and submit their financial statement. Bidders are qualified on the basis of a uniform rating system established by the District.

According to staff, projects are advertised in the Sacramento Bee and/or Natomas Journal as required. In addition to the minimum publication requirements, project plans and specifications are distributed to several builders' exchanges. The project manager may also follow up with various contractors in an effort to increase participation in the competitive bidding process. This process provides maximum exposure, thereby ensuring a competitive bidding process.

Bids are opened at the District Office; the project manager and administrative assistant are present for the opening of bids. Occasionally, the architect may also attend the bid opening. The bid opening date is coordinated with the next available board meeting date, which usually occurs between 10-days to two weeks from the bid opening date.

At the bid opening, the substitution list is verified and the bid results are made public. Within 48 to 72 hours after the bid opening the bid documents are verified for compliance and completion and checked for the appropriate licenses, bonds, insurance, designation of subcontractors, DVBE forms, and other District and legal requirements. The three lowest bidders are notified that their bid is in the top three for potential award.

The notice of award is issued the day after the Board approves the contract. The notice to proceed is issued after the contractor submits all of the required documents.

During 2007-08 equipment purchases were procured utilizing the "piggyback" delivery method.

The piggyback delivery method allows Districts to use pricing from a piggyback contract held by another school District or public agency to negotiate a contract in the absence of any additional public bidding. There are formal bid procedures and other piggyback procedures which must be followed by the original or originating District.

Some advantages and disadvantages can be attained through the use of the process, such as:

- Districts can use this delivery method to avoid the time, expense, and market uncertainties associated with formal bidding.
- Although a formal bid process is conducted by the originating agency, the public may perceive the end result as a "no bid" contract.

Sample

The bidding and procurement procedures used for the Natomas and Inderkum High School Track and Field Renovation project, Electronic Data-Processing Systems and Supporting Software purchase and Two Eighteen Passenger Wheelchair Equipped School Bus purchase were selected for the compliance review in this audit.

The table below provides some information regarding the bid process which was conducted by the District:

Description	Natomas and Inderkum High School Track and Field Renovation Project
Pre-Bid Conference	October 16, 2007
Bid Opening Date	November 8, 2007
No. of Bids Received	5
Lowest Bid	\$2,614,850
Mid-range Bid	\$2,799,000
Highest Bid	\$3,257,000
Low Responsive Bidder	Mascon Construction Inc.
Date of Contract Award	November 14, 2007
Contract Amount	\$2,614,850
Notice To Proceed Date	November 19, 2007

According to staff, on October 5, 2007 the Notice to Bidders for the Natomas High School and Inderkum High School Field and Track Renovation Project was sent to the following builders' exchanges:

Builders Exchange of Sacramento County
 Daily Pacific Builder
 F.W. Dodge Plan Room – Sacramento
 F.W. Dodge Plan Room – Roseville
 Placer County Builders Exchange
 Sacramento County Builders Exchange

The Notice to Bidders provided details and instructions regarding the project, as well as the specified dates and times for the mandatory pre-bid conference, prequalification requirements, bid submittal and bid opening. In addition to the publications at the Builders Exchanges', the architect provided the District with a list of contractors that had direct experience with this type of project. The District contacted each of the contractors, inviting them to bid the project.

A mandatory pre-bid conference took place on October 16, 2007; at which time nine general contractors and numerous subcontractors participated. Subsequently, six subcontractors submitted pre-qualification packages by the November 2, 2007 deadline; all six were deemed qualified to bid on this project. A total of five bids were received. Bids were opened on November 8, 2007.

Upon review and recommendation by staff and the Superintendent, the Board of Trustees awarded the contract on November 14, 2007 to Mascon Incorporated, which was the lowest responsible bidder. After the contractor submitted all of the required insurance certificates, bonds, signed agreements and other documents the Notice to Proceed was issued on November 19, 2007.

The District advertised for Electronic Data-Processing Systems and Supporting Software on August 31, 2007 and September 7, 2007 in the Sacramento Bee. The bidding process closed on September 28, 2008. Bids were forwarded to six vendors. Five vendors responded and demonstrated their software for the Technology Staff as part of the criteria for Bid No. 01-07/08.

The award of bid was made in compliance with Public Contract Code Section 20118.1, which states “the governing board of any school District may contract with an acceptable party who is one of the three lowest responsible bidders for the procurement or maintenance of electronic data-processing systems and supporting software in any manner the Board deems appropriate.” After a comparison of the vendor products, staff determined that Excelsior Software provided the best product, service and price to meet the needs of the District.

The three lowest bidders were:

School City	\$ 85,500
Excelsior Software	\$135,000
Actuate/Ciber	\$155,750

On October 10, 2007, the board awarded the contract to Excelsior Software.

The District advertised for the purchase of two Eighteen Passenger Wheelchair Equipped School Buses (Bid No. 03-07/08) on May 19, 2008 and May 26, 2008 in the Daily Recorder. The bidding process closed on June 2, 2008. Bids were mailed to three vendors and all three vendors responded.

The bid results are as follows (bid results are per bus, excluding state or county sales or use tax):

A – Z Bus Sales	\$99,540.00
BUSWEST	\$92,431.39
Creative Bus Sales, Incorporated	\$87,421.00

On June 18, 2008 the Board of Education awarded the contract for the purchase of two Eighteen Passenger Wheelchair Equipped School Buses to Creative Bus Sales in the amount of \$217,633.62 (the contract price includes applicable taxes).

The following Measures D and M funded purchases were procured utilizing the piggyback delivery method during the 2007-08 fiscal year. The procurement method for each purchase was reviewed for compliance in this examination. Each item showed evidence of being procured utilizing a “piggyback” contract and each of the contracts were formally approved by the Board of Education.

Method of Procurement	Project	Board Approved	Vendor	Funding Source	Amount
Piggyback Contract - CalNet	Closed Circuit Television (CCTV) Surveillance Project	8/3/2007	AT&T	D	\$300,000
Piggyback - California Multiple Awards Schedule (CMAS)	Purchase and Installation of Artificial Turf Surfaces as part of the Natomas High School and Inderkum High School Track and Field Projects	11/14/2007	Field Turf/Tarkett, Inc.	D	\$924,041
Piggyback - California Multiple Awards Schedule (CMAS)	Purchase and Installation of Artificial Track Surfaces as part of the Natomas High School and Inderkum High School Track and Field Projects	11/14/2007	Sports Surfaces Distribution	D	\$1,255,550
Piggyback – Chula Vista Unified School District	Purchase and Installation of Shade Structures for Jefferson, Bannon Creek, American Lakes, Natomas Park, Two Rivers, Heron Elementary and Westlake Charter School	12/12/2007	National Carport Industries	M	\$384,770
Piggyback - US Commodities Contract	Purchase and Retrofitting of Playground Equipment for Jefferson, Bannon Creek and American Lakes Elementary Schools	12/12/2007	All About Play	D	\$591,059
Piggyback - US Commodities	Purchase and Retrofitting of Playground Equipment	4/9/2008	All About Play	D & Categorical	\$79,502
Piggyback – Chula Vista Unified School District	Purchase and Installation of a Shade Structure at Two Rivers Elementary School; Specifically for Natomas Center Based Program for Students with Autism	4/9/2008	National Carport Industries	D & Categorical	\$26,580
Piggyback - California Multiple Awards Schedule (CMAS)	Additional Field Center Logos and End Zones Lettering for the Natomas High School and Inderkum High School Track and Field Renovation Project	5/14/2008	Field Turf/Tarkett, Inc.	D	\$94,483
Piggyback - California Multiple Awards Schedule (CMAS)	Purchase and Installation of Data Center UPS for the Microsoft Migration, District wide Program	5/28/2008	Deco Tech	D	\$50,000
Piggyback - Western States Contract Alliance II (WSCAII)	Purchase and Installation of HP Servers, Server Hardware, and Storage for the Computer Refresh Program through the 2007-08 year, District wide Program	5/28/2008	Deco Tech	D	\$1,000,000
Piggyback - California Multiple Awards Schedule (CMAS)	Sales Tax Incurred on the Materials Purchased for the Natomas High School and Inderkum High School Track and Field Projects	5/28/2008	Field Turf/Tarkett, Inc.	D	\$53,460

Observations

- The District provided the notice to bidders through six different builders' exchanges and followed up with prospective bidders for the Track and Field Project. The District obtained five bids for the project, which is considered a sufficient bid pool. The District did take measures in obtaining a competitive bid environment. (See finding below.)
- Proper bidding procedures were utilized for the purchase of the Electronic Data-Processing Systems and Supporting Software (Bid No. 01-07/08) and Two Eighteen Passenger Wheel Chair Equipped School Buses (Bid No. 03-07/08).

- During the 2007-08 fiscal year several other projects were bid, however, the information provided in the board agenda showed the projects were funded through other facilities funding sources and not specifically through Measures M or D. Therefore, a review of the bidding processes for those projects were not included in this examination.
- The procurement method specified for each of the sampled purchases appears to have been made in compliance with public contract code and board policy.

Finding

- Contrary to District Policies, Administrative Regulations and Public Contract Code, the District did not formally advertise for the invitation to bidders for Natomas and Inderkum High School Track and Field Renovation project. Public contract code requires all public work projects exceeding \$15,000 to be formally advertised on two separate occasions, seven days apart with at least fourteen days between the first bid publication and the bid opening date as required by law.

Recommendations

- Staff should ensure that public works projects over \$15,000 are formally advertised in a local publication on two separate occasions, seven days apart and at least fourteen days between the first bid publication and the bid opening date as required by law.
- It is recommended that the District post information and requirements regarding the prequalification process on the District's website. A frequently asked questions link could also be very helpful to interested or perspective bidders.

EFFECTIVENESS OF THE PUBLIC OUTREACH PROGRAM

Process Utilized

TSS interviewed the Superintendent, Board members, Citizens' Bond Oversight Committee members, Assistant Superintendent for Facilities, Chief Business Official, and the Facilities Program Manager. An attempt to interview the District's Public Information Officer was made, but schedules did not allow TSS the opportunity for this interview. TSS also reviewed the District's website and the District's e-newsletters.

The purpose of the interviews and the review of the websites and published information were to examine the systems used by the District to convey information about the bond program to interested parties, school site communities and the community at large. These processes serve as a measurement of the effectiveness of disseminating information to parties not directly involved in the bond program and its operations.

Background

Public outreach is a key component for any successful bond program. It is vital to keep the community informed during each phase of the program. Outreach to the community regarding the status of projects, including priorities, project timelines and updates are important for the District to undertake consistently in their ongoing efforts to manage information and expectations about the bond program.

During the course of this examination, TSS found limited evidence of a formal public outreach program related to the bond program in the District. The District does maintain a website; however it does not include a link to a Citizen's Bond Oversight Committee and/or a specific Bond Program section. Information about the CBOC can be found in the Business Services section of the webpage and specific bond program projects information can be found in the Facilities section.

The CBOC related information that is posted includes committee member contact information, CBOC meeting agendas and minutes and committee by-laws, and the date, time and location of the next meeting. This section does not include community updates, pictures, descriptions of bond projects, bond expenditure reports or copies of the Bond Financial information and Performance Audits for 2006-07.

According to discussions with staff, the District does not send a written newsletter to the community. The District utilizes their website and a weekly e-newsletter as primary sources of communication with the larger community.

In a review of recent e-newsletters there was limited to no information about the bond program or any of the ongoing bond projects. However, it is noted that a conversation with the District Public Information Officer may have revealed other published information about the bond program that was not readily accessible on the website.

The Superintendent indicated that he attends local Rotary Club and Chamber of Commerce meetings and activities and is a member of a "key communicators" group, which is comprised of local political leaders, business owners, policymakers and religious leaders.

Observations

- The District's website is updated and maintained with current information. To access the CBOC website, it is necessary for visitors to first go to the Business Services Department, where the link to the CBOC website is located.
- Staff noted that school site staff have been very pleased with the work that has been completed to date and that the Facilities and Planning staff enjoy a positive relationship with school site administrators.
- Members of the CBOC indicated that no complaints from the community have been brought forward during the 2007-08 reporting period, and a general level of community satisfaction appears to be present in the District.

Recommendations

- Newsletters are excellent tools that can be used to communicate to both the school communities and the community at-large about the status of the Bond Program. It is recommended that the District either expand the current e-newsletter format to include a Bond Program section or create a newsletter specifically for the Bond Program.
- It is recommended that the District add a Bond Program section to the District website and create a link to a separate CBOC webpage, allowing interested members of the community to quickly and easily obtain updated information about the status of the Bond Program and the work of the CBOC.

Finding

- There are no findings for this section.

EFFECTIVENESS OF COMMUNICATION CHANNELS AMONG STAKEHOLDERS WITHIN THE BOND PROGRAM

Process Utilized

During the process of this examination, TSS interviewed personnel in facilities, the Assistant Superintendent, and other parties involved in the District's facilities program. Some members of the Citizen's Bond Oversight Committee and the School Board were also interviewed. The communication channels among those working in and with the Bond Program were among the topic of discussion in these interviews.

Background

Effective communication between members of the District management staff, the Bond Program and Facilities staff, key consultants, such as architects, and the CBOC are an essential component of a successful Bond Program.

The Assistant Superintendent for Business Services is the primary point of contact for the District to the CBOC. While the Assistant Superintendent is no longer responsible for management of the Facilities and Planning Department, the responsibility for the CBOC has remained his assignment. The Assistant Superintendent for Facilities and Planning is in regular attendance at CBOC meetings and provides information about the Bond Program.

Members of the CBOC who were interviewed during the course of this examination indicated that District staff is very responsive to the committees needs and provide information on a regular and timely basis. Committee members appear to be knowledgeable about all aspects of the Bond Program and additionally formed a sub-committee to conduct post-project reviews ensure that the information they are provided has indeed resulted in the expected outcomes. This sub-committee provides a report to the full CBOC and School Board.

Members of the CBOC expressed concern regarding the communication the committee received from the District and School Board related to the acquisition of the Westlake Project site. Staff indicated that information regarding this matter, as it relates to the Bond Program was disclosed and discussed to the fullest extent possible without jeopardizing the District and any ongoing negotiations related to the matter. This land acquisition did not occur during the 2007-08 period covered by this audit and therefore no further investigation was undertaken.

Observations

- Bond updates and information from the CBOC are topics of discussion at monthly Board Meetings.
- Board workshops related to Facilities and Planning matters are conducted quarterly to keep Board members and the public informed.
- CBOC members expressed that staff are regularly in attendance at CBOC meetings and are very forthcoming with information.

- Board member comments included statements such as; “The facilities department is very good at project oversight and management”, and “The program is going well, everyone got something in Measures D and M”.

Finding

- There are no findings in this section.

APPENDIX A
BOND MEASURE M RESOLUTION AND TEXT

DRAFT

7/18/02
C

**BOARD OF TRUSTEES
NATOMAS UNIFIED SCHOOL DISTRICT**

RESOLUTION OF THE BOARD OF TRUSTEES OF THE NATOMAS
UNIFIED SCHOOL DISTRICT ORDERING AN ELECTION TO
AUTHORIZE THE ISSUANCE OF SCHOOL BONDS,
ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER,
AND REQUESTING CONSOLIDATION WITH OTHER ELECTIONS
OCCURRING ON NOVEMBER 5, 2002

RESOLUTION NO. 02-28

WHEREAS, in the judgment of the Board of Trustees (the "Board") of the Natomas Unified School District (the "District"), it is advisable to call an election to submit to the electors of the District the question whether bonds of the District shall be issued and sold for the purpose of raising money for the acquisition and improvement of real property and the furnishing and equipping of school facilities of the District; and

WHEREAS, as a result of the approval of Proposition 39 on November 7, 2000, Article XIII A Section 1 paragraph (b) of the California Constitution ("Article XIII A") provides an exception to the limit on ad valorem property taxes on real property for bonded indebtedness incurred by a school district approved by 55% of the voters of the district voting on the proposition; and

WHEREAS, the Board is specifically authorized to pursue the authorization and issuance of bonds by a 55% vote of the electorate on the question whether bonds of the District shall be issued and sold for specified purposes, under Education Code Section 15264 *et seq.* (the "Act"); and

WHEREAS, under Section 10403 *et seq.* of the California Elections Code, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on Tuesday, November 5, 2002, and to request the Sacramento County Registrar of Voters to perform certain election services for the District;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE NATOMAS UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Call for Election. The Board hereby orders an election and submits to the electors of the District the question of whether general obligation bonds of the District shall be issued and sold in the maximum principal amount of \$45.88 million for the purpose of raising money to finance school facilities and property of the District, and paying costs incident thereto, as set forth more fully in the ballot proposition approved under Section 3. This Resolution constitutes the order of the District to call such election.

Section 2. Election Date. The date of the election shall be November 5, 2002, and the election shall be held solely within the boundaries of the District.

Section 3. Purpose of Election; Ballot Proposition. The purpose of the election shall be for the voters in the District to vote on a proposition, a full copy of which is attached hereto as Appendix A, containing the question of whether the District shall issue the Bonds for the purposes stated therein, together with the accountability requirements of Article XIII A and the requirements of Section 15272 of the Act. As required by Elections Code Section 13247, the abbreviated form of the measure to appear on the ballot is attached hereto as Appendix B. The Superintendent or his designee is hereby authorized and directed to make any changes to the text of the proposition as required to conform to any requirements of Article XIII A, the Act or the Sacramento County Registrar of Voters.

Section 4. Authority for Election. The authority for ordering the election is contained in Section 15264 *et. seq.* of the Education Code and Section 1 paragraph (b) subsection (3) of Article XIII A. The authority for the specification of this election order is contained in Section 5322 of the Education Code.

Section 5. School Facilities Projects. As required by Article XIII A, the Board hereby certifies that it has evaluated safety, class size and information technology needs in developing the list of school facilities projects set forth on Appendix A.

Section 6. Covenants of the Board upon Approval of the Bonds by the Electorate. As required by Article XIII A and Section 15278 of the Act, if 55% of the voters of the District approve of the Bonds, the Board will:

- (1) conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific school facilities projects listed in Appendix A;
- (2) conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the school facilities projects listed in Appendix A; and
- (3) establish and appoint members to an independent citizens' oversight committee in accordance with Sections 15278, 15280 and 15282 of the Act.

Section 7. Delivery of this Resolution. The Clerk of the Board is hereby directed to send a copy of this Resolution to the Sacramento County Superintendent of Schools, the Sacramento County Registrar of Voters (the "County Registrar") and the Sacramento County Clerk of the Board of Supervisors.

Section 8. Consolidation of Election. The County Registrar and the Sacramento County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 5, 2002, within the District.

Section 9. Ballot Arguments; Tax Rate Statement. Any and all members of this Board are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument. The President of the Board, the Superintendent or any designee of the foregoing, are hereby authorized to execute any Tax Rate Statement or other document and to perform all acts necessary to place the bond measure on the ballot.

Section 10. Effective Date. This resolution shall take effect on and after its adoption.

I hereby certify that the foregoing Resolution was passed and adopted by the Board of Trustees of the Natomas Unified School District at a regular meeting thereof duly held on July 17, 2002, by a vote of at least two-thirds of its members.

Adopted by the following votes:

AYES:

NOES:

ABSENT:

Ron Dwyer-Voss
President of the Board

Susan Heredia
Clerk of the Board

APPENDIX A

**BALLOT MEASURE
FULL TEXT OF MEASURE**

In order to enable the Natomas Unified School District to continue providing exceptional educational opportunities, shall the District issue \$45.88 million in bonds, at interest rates within legal limits, to acquire, construct, modernize, repair, replace and equip its school facilities to meet safety and instructional needs, accommodate future growth, and create additional space for student class size reduction, additional educational programs and other needs, subject to oversight by an independent citizens' committee as legally required?

BOND AUTHORIZATION

By approval of this proposition by at least 55 percent of the registered voters voting on the proposition, the District will be authorized to issue and sell bonds of up to \$45.88 million in aggregated principal at interest rates below the legal limit and to provide financing for the specific school facilities projects listed in the Bond Project List described below, subject to all the accountability requirements specified below.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers in the District may be assured that their money will be spent wisely. Expenditures to address specific facilities needs of the District will be in compliance with the requirements of Article XIII A, Section 1(b)(3), of the State Constitution and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following.)

Evaluation of Needs. The School Board has identified detailed facilities needs of the District and has determined which projects to finance from a local bond at this time. The School Board hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project List shown below.

Independent Citizens' Oversight Committee. The School Board shall establish an Independent Citizens' Oversight Committee under Education Code Section 15278

and following to ensure bond proceeds are expended only on the school facilities projects listed below. The committee will be established within 60 days of the date when the results of the election appear in the minutes of the School Board.

Performance Audits. The School Board shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed below.

Financial Audits. The School Board shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed below.

FURTHER SPECIFICATIONS

No Administrator Salaries. Proceeds from the sale of bonds authorized by this proposition shall be used only for the construction, reconstruction and/or rehabilitation of school facilities including the furnishing and equipping of school facilities or acquisition or lease of real property for school facilities and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

BOND PROJECT LIST

The Bond Project List shown below is a part of the ballot proposition and must be reproduced in any official document required to contain the full statement of the bond proposition.

Projects Subject to Available Funding. The following list of projects is subject to the availability of adequate funding to the District. Approval of the Bond measure does not guarantee that the proposed projects will be funded beyond the local revenues generated by the Bond measure. The District's proposal for the projects may assume the receipt of matching state funds, which could be subject to appropriation by the State Legislature or approval of a statewide bond measure.

Scope of Projects. Bond proceeds will be expended to modernize, replace, renovate, construct, equip, furnish and otherwise improve the following facilities of the District. The specific school facilities projects which are described below include all related and incidental costs, including costs of design, engineering, architect and other professional services, site preparation, utilities, landscaping and other incidental costs, and construction management (including construction management by District personnel). Whenever any listed project consists of new construction, such project includes the purchase and installation of related furniture and equipment. The District may alter the scope and nature of any of the specific projects which are described below as required by conditions which arise during the course of design and construction.

American Lakes Elementary School

Acquire, construct and install new shade structures for student safety
Install wireless computer lab equipment and related infrastructure
Make roof drainage improvements
Repair, renovate and modernize existing school facilities
Construct new Library

Jefferson Elementary School

Acquire, construct and install new shade structures for student safety
Install wireless computer lab equipment and related infrastructure
Construct improvements to provide additional cafeteria storage
Renovate and modernize kindergarten playground and structures

Natomas Park Elementary School

Acquire, construct and install new shade structures for student safety
Install wireless computer lab equipment and related infrastructure

Witter Ranch Elementary School

Acquire, construct and install new shade structures for student safety

Elementary School in Northborough Area

Acquisition of site for construction of elementary school to accommodate future growth
Construction of new elementary school facilities as required to supplement local and State funding sources

Bannon Creek Elementary School

Acquire, construct and install new shade structures for student safety
Expand existing parking lot
Install wireless computer lab equipment and related infrastructure
Construct improvements to provide additional cafeteria storage
Renovate and modernize kindergarten playground and structures

Elementary School in Natomas Crossing Area

Construction of new elementary school, as required to supplement local and State funding sources

Two Rivers Elementary School

Acquire, construct and install new shade structures for student safety
Install wireless computer lab equipment and related infrastructure

Elementary School in West Lake Area

Acquisition of site for construction of elementary school to accommodate future growth
Construction of new elementary school as required to supplement local and State funding sources

Future Elementary School Sites 10, 11 & 12

Acquisition of sites for construction of elementary schools to accommodate future growth

Natomas Middle School

Install wireless computer lab equipment and related infrastructure

Purchase school site and facilities constituting the existing middle school, which are currently being leased

Leroy Greene Middle School

Install wireless computer lab equipment and related infrastructure

Future Middle School No. 4

Acquisition of site for construction of new middle school to accommodate future growth

Middle School in North Point Area

Install wireless computer lab equipment and related infrastructure

Construction of new middle school as required to supplement local and State funding sources

Natomas High School

Build new swimming pool complex and related facilities including: pool, pump and filtration system with structure, locker rooms, showers, bleachers, diving boards, life guard chairs and necessary safety equipment

Discovery High School

Construct Rosin Sewer Extension as required by City of Sacramento
Paint exterior of high school

Future Second High School

Construction of new high school as required to supplement local and State funding sources

Natomas Charter School

Construct new theater facility

Future High School No. 3

Acquisition of site for construction of new third high school to accommodate future growth, to the extent full cost is not provided in real estate trade with Los Rios Community College District

District-Wide Improvements

Purchase and install solar tubes to provide lighting for portable buildings

Purchase and install security television cameras to provide greater campus safety

Purchase and install central freezer for ~~support food service~~ the district-wide cafeteria program to be able to take advantage of large food commodity purchases in order to make the program more cost effective to the students

Construct ~~new a~~ central kitchen for ~~support food service~~ the district-wide cafeteria program to provide more efficient utilization of resources in order to make the program more cost effective to the students

Acquire new buses and other District vehicles to accommodate student growth

Project List for Proposition 39 General Obligation Bond:

<u>Location</u>	<u>Project</u>	<u>Justification</u>	<u>Approx. Cost</u>	<u>Priority</u>
American Lakes	Shade Structures (5)	Student Safety	\$75,000	#2
American Lakes	Wireless Computer Lab's (2)	Equity	\$160,000	#2
American Lakes	Roof Drainage	Fix design flaw	\$380,000	#2
American Lakes	Modernization	80/20 match	\$625,000	#2
American Lakes	Library	Equity	\$1,200,000	#3
Bannon Creek	Shade Structures (5)	Student Safety	\$75,000	#2
Bannon Creek	Parking Lot Expansion	Equity	\$90,000	#2
Bannon Creek	Wireless Computer Lab's (2)	Equity	\$160,000	#2
Bannon Creek	Cafeteria Storage	Health & Safety	\$235,000	#2
Jefferson	Shade Structures (5)	Student Safety	\$75,000	#2
Jefferson	Wireless Computer Lab's (2)	Equity	\$160,000	#2
Jefferson	Cafeteria Storage	Health & Safety	\$235,000	#2
Natomas Crossing	Supplement SB-50 funding	Funding inadequate	\$2,000,000	#2
Natomas Park	Shade Structures (5)	Student Safety	\$75,000	#2
Natomas Park	2 nd Wireless Computer Lab	Equity	\$70,000	#2
Two Rivers	Shade Structures (5)	Student Safety	\$75,000	#2
Two Rivers	2nd Wireless Computer Lab	Equity	\$70,000	#2
Witter Ranch	Shade Structures (5)	Student Safety	\$75,000	#2
Northborough	Site Acquisition (10 Acres)	Growth	\$2,100,000	#2
Northborough	Supplement SB-50 funding	Funding inadequate	\$2,000,000	#3
West Lake	Site Acquisition (10 Acres)	Growth	\$2,100,000	#2
West Lake	Supplement SB-50 funding	Funding inadequate	\$2,000,000	#3
Site Acquisition	Elementary Sites 10, 11&12	Growth	\$6,300,000	#3
Leroy Greene M.S.	Wireless Computer Lab's (4)	Equity	\$310,000	#2
Natomas M.S.	Wireless Computer Lab's (3)	Equity	\$210,000	#2
Natomas M.S.	Repay COP "bridge" Loan	Funding inadequate	\$3,000,000	#2
Natomas High	Pool	Finish campus	\$1,800,000	#3
Natomas Charter	Theater	Finish campus	\$2,000,000	#3
North Point M.S.	Supplement SB-50 funding	Funding inadequate	\$3,000,000	#3
2nd High School	Supplement SB-50 funding	Funding inadequate	\$15,000,000	#1
Discovery High	Rosin Sewer Extension	Required by City	\$1,500,000	#2
Discovery High	Exterior trim paint	Color band	\$20,000	#2
Site Acquisition	M. S. #4 & H.S. #3	Growth	\$6,000,000	#3
District-wide	Solar-Tubes for Portables	Day lighting	\$300,000	#2
District-wide	Security T.V. Cameras	Campus Security	\$200,000	#2
District-wide	Central Freezer	Support Food Serv.	\$250,000	#2
District-wide	Central Kitchen	<u>Support Food Serv.</u>	\$1,200,000	#3
		<u>TOTAL</u>	\$55,125,000	

APPENDIX B

BOND MEASURE D RESOLUTION AND TEXT

RESOLUTION NO. 06-10

RESOLUTION OF THE BOARD OF TRUSTEES OF THE
NATOMAS UNIFIED SCHOOL DISTRICT
ORDERING A SCHOOL BOND ELECTION,
ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER,
AND REQUESTING CONSOLIDATION WITH OTHER ELECTIONS

WHEREAS, the Board of Trustees (the "Board") of the Natomas Unified School District (the "District") is generally authorized to order elections within the District and to designate the specifications thereof, pursuant to Education Code Sections 5304 and 5322;

WHEREAS, the Board is specifically authorized to order elections, pursuant to Education Code Sections 15264 *et seq.*, for the purpose of submitting to the electors the question of whether bonds of the District ("Bonds") shall be issued and sold for specified purposes;

WHEREAS, the Board deems it necessary and advisable to submit a bond measure to the electors that, if approved by the requisite number of electors voting on the measure, would permit the District to issue Bonds; and

WHEREAS, it is desirable that the election to determine whether Bonds shall be issued and sold be consolidated with such other election or elections as may be held on the same day in the same territory or in territory that is in part the same.

NOW, THEREFORE, the Board of Trustees of the Natomas Unified School District does hereby resolve, determine, and order as follows:

Section 1. Election Order; Ballot Measure. Pursuant to Education Code Sections 5304, 5322 and 15264 *et seq.*, and Article XVI, Section 18(b), of the California Constitution, an election shall be held within the boundaries of the Natomas Unified School District on June 6, 2006, submitting to the voters of the District the question of whether Bonds of the District, in the amount of \$145,500,000 shall be issued and sold for the purposes described below, including acquiring, constructing, renovating, furnishing, and equipping school facilities and grounds, as specifically set forth in Exhibit B attached hereto. The Bonds proposed to be issued and sold shall bear interest at a rate not exceeding the statutory limit, and the number of years any Bonds are to run shall not exceed twenty-five (25) years from the date of the Bonds or the date of any series thereof if the Bonds are issued pursuant to the Education Code and shall not exceed forty (40) years from the date of the Bonds or the date of any series thereof if the Bonds are issued pursuant to the Government Code.

Section 2. Use of Bond Proceeds, Facilities Specifications and Audit Requirements.

(a) Use of Bond Proceeds. Proceeds from the sale of Bonds may be used only for the purposes specified in Article XIII A, section 1(b)(3), of the California Constitution.

(b) **Specification of Facilities.** The school facilities projects to be funded are listed in Exhibit B. The Board hereby certifies that it evaluated safety, class size reduction, and information technology needs in developing the list.

(c) **Performance Audit.** The Board shall conduct an annual, independent performance audit to ensure that Bond funds have been expended on the specific projects listed.

(d) **Financial Audit.** The Board shall conduct an annual, independent financial audit of the proceeds from the sale of Bonds until all of the proceeds have been expended for the school facilities projects.

Section 3. Government Code Accountability Requirements. The District hereby finds and directs that it will comply with the accountability provisions of Government Code sections 53410 and 53411.

Section 4. Vote Required. Pursuant to Section 18(b) of Article XVI and Section 1 of Article XIII A of the California Constitution, the bond measure shall become effective only upon the affirmative vote of fifty-five percent of those voters voting on the measure.

Section 5. County Registrar of Voters to Conduct Election. Pursuant to Education Code Section 5303, the Sacramento County Registrar of Voters is hereby requested to take all steps to prepare for and hold the election within the boundaries of the District in accordance with law and these specifications.

Section 6. Consolidation with Other Elections. Pursuant to Education Code Sections 5342, 15266, and 15121 and Part 3 (commencing with Section 10400) of Division 10 of the Elections Code, the County is requested to order consolidation of the school bond election with the other elections to be held on the same day in the same territory or in territory that is in part the same.

Section 7. Canvass of Returns. The Board of Supervisors of Sacramento County is authorized to canvass the returns of the election pursuant to Section 10411 of the Elections Code.

Section 8. Services of Registrar of Voters. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Sacramento County is requested to permit the Registrar of Voters to render all services incident to the preparation for and holding of the election, for which services the District agrees to reimburse the County, such services to include the publication of the Formal Notice of School Bond Election (as described herein) and the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code) pursuant to the terms of the Education Code and the Elections Code.

Section 9. Formal Notice of Election. The Superintendent is hereby directed to prepare and execute a Formal Notice of School Bond Election (the "Notice of Election") for delivery to the Registrar of Voters containing the information specified in Education Code Sections 5361 and 15120, in substantially the form attached hereto as Exhibit A with such changes as may satisfy Sacramento County officials. The District hereby requests the Registrar of Voters to publish the Notice of Election.

Section 10. Abbreviated Statement of the Bond Measure. The abbreviated statement of the bond measure is set forth in the Notice of Election attached hereto as Exhibit A and incorporated herein by reference. The District hereby requests the Registrar of Voters to designate the measure on the ballot by a letter printed on the left margin of the square containing the abbreviated statement of the measure as provided in Section 13116 of the Elections Code.

Section 11. Full Text of the Measure. The District hereby requests the Registrar of Voters to publish the full text of the measure, which is set forth in Exhibit C, in the ballot pamphlet materials as appropriate.

Section 12. Specifications of the Election Order. The foregoing specifications of the election order are made pursuant to Section 5322 of the Education Code.

Section 13. Tax Rate Statement. The Board hereby approves the form of the tax rate statement attached hereto as Exhibit D and incorporated herein by reference.

Section 14. Delivery of Specifications of the Election Order, Notice of Election, and Tax Rate Statement. The Superintendent is hereby directed to deliver a copy of this resolution, the Notice of Election, and the tax rate statement to the Registrar of Voters and a copy of this resolution to the Board of Supervisors of Sacramento County.

Section 15. General Authorization with Respect to the Bond Election. The members of the Board, the Superintendent, and the other officers of the District, and each of them individually, are hereby authorized and directed to do any and all things and to execute, deliver, and perform any and all agreements and documents that they deem necessary or advisable in order to effectuate the purposes of this Resolution, including, without limitation, to prepare and submit for inclusion in the voter information pamphlet an argument in favor of passage of the bond measure. All actions heretofore taken by the officers and agents of the District that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed, and approved in all respects.

Section 16. Encumbrance of Bond Funds. For the purpose of making bond funds unavailable as rent within the meaning of Education Code section 17032, the Board hereby encumbers all funds to be generated by the sale of Bonds in order to pay for the acquisition and construction of the school facilities and equipment authorized by the bond measure.

Section 17. Official Intent to Reimburse Expenditures. (a) The District intends to undertake the acquisition, construction, renovation, furnishing and equipping of school facilities and grounds as described in Exhibit B. The District intends to use \$145,500,000 of Bond proceeds for this purpose. The District may, in anticipation of the issuance of the Bonds, pay certain expenditures for said projects. The District reasonably expects that Bond proceeds will be used to reimburse the District for the items listed in Exhibit B.

(b) The Board hereby declares the District's official intent to use a portion of the proceeds of the Bonds to reimburse the District for the above-described projects. The foregoing statement is a declaration of official intent that is made under and only for the purpose of establishing compliance with the requirements of Treasury Regulations section 1.150-2.

Section 18. Effective Date. This resolution shall take effect immediately upon its adoption.

APPROVED, PASSED, AND ADOPTED by the Board of Trustees of the Natomas Unified School District on the 8th day of February, 2006, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

President of the Board of Trustees

ATTEST:

Secretary of the Board of Trustees

EXHIBIT A

FORMAL NOTICE OF SCHOOL BOND ELECTION

1. NOTICE IS HEREBY GIVEN to the qualified electors of the Natomas Unified School District, Sacramento County (the "District"), that, in accordance with the provisions of the California Education Code, a school bond election will be held on Tuesday, June 6, 2006, in the District.

2. At the election, a measure will be submitted to the qualified electors of the District and voted upon whether to authorize the District to issue \$145,500,000 principal amount of bonds for the purpose of acquiring, constructing, renovating, furnishing, and equipping school facilities and grounds.

3. The statement of the measure shall be abbreviated on the ballot as follows:

<p>MEASURE __: "To improve the quality of education throughout Natomas, shall the Natomas Unified School District provide additional classrooms, construct facilities, modernize classrooms, renovate playfields, improve access to schools for students, staff and the community, and become eligible for all additional State matching funds by issuing \$145,500,000 in bonds at an interest rate not to exceed the statutory limit, reviewed by a citizens' oversight committee, independent audits, and NO money for administrator salaries?"</p> <p style="text-align: center;"><u>BONDS YES</u> <u>BONDS NO</u></p>

The measure shall be designated on the ballot by a letter printed on the left margin of the square containing the abbreviated statement of the measure as provided in Section 13116 of the Elections Code of the State of California.

4. All of the purposes enumerated in the foregoing measure shall be united and voted upon as one single measure. The bonds proposed to be issued and sold shall bear interest at a rate not exceeding the statutory limit per annum, and the number of years the whole or any part of the bonds are to run from the date of the bonds or the date of any series thereof shall not exceed 25 years if the bonds are issued pursuant to the Education Code, and 40 years if the bonds are issued pursuant to the Government Code.

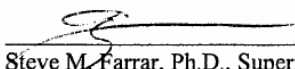
5. If 55% of the qualified electors voting on the measure vote "YES," the measure is approved.

6. The polls at the polling places will be open from 7:00 a.m. until 8:00 p.m. on the day of the election. The boundaries of the voting precincts within the District, the location of the

polling places, and the names of the officers selected to conduct the election shall be determined by the Registrar of Voters of Sacramento County.

7. The Board of Trustees of the Natomas Unified School District, by adoption of Resolution No. 06-10 (the "Resolution") on February 8, 2006, has ordered the election in accordance with the provisions of Sections 5322 and 15266 of the Education Code. In all particulars not recited in this Notice, the election shall be held and conducted as provided by law for holding school district elections.

Dated: February 8, 2006.



Steve M. Farrar, Ph.D., Superintendent
Natomas Unified School District

EXHIBIT B

Specific School Facilities Projects to be Funded:

I. NEW SCHOOLS – SITE ACQUISITION, CONSTRUCTION, FURNISHING AND EQUIPMENT

- Creekside Elementary School
- Creekside Middle School
- West Lakeside School
- Natomas Central, aka Forecast School
- Westlake Charter School
- Sacramento Valley Technical High School

II. COMPLETION OF SCHOOLS – CONSTRUCTION, FURNISHING AND EQUIPMENT

- Inderkum High School
- Heron School
- Inderkum High School and Creekside School Financing

III. CAMPUS INFRASTRUCTURE, FACILITIES AND EQUIPMENT

- Athletic fields and tracks upgrade
- Security systems
- Shade structures
- Safe walking routes
- Playground improvements
- Preschool facilities
- Grade configuration conversions
- Natomas Charter School facilities

IV. DISTRICT TECHNOLOGY AND EQUIPMENT

- Computers, computer labs and support networks and infrastructure
- Buses and service vehicles

Natomas Unified School District Potential General Obligation Bond Projects

2/2/2006

Descriptions

2005 COP Financing Used for Completion of I.H.S. and Creekside Land & Site Preparation	WORKING DRAFT
Creekside - Elementary School Construction	
Creekside - Middle School Construction	
Heron School Supplemental Funding	
West Lakeside School Site Acquisition & Permitting	
Forecast School Site Acquisition & Permitting	
Inderkum H. S. Supplemental Funding	
Charter Theater Phase II Supplemental Funding	
Athletic Fields & Tracks Upgrade	
Computers, Computer Labs, and Support Networks/Infrastructure	
Security Cameras	
Shade Structures	
Buses and Service Vehicles	
Safe Routes to School Charrette's Recommendations	
Playground Improvements	
Pre-School Facilities	
Schools Conversions	
Sacramento Valley Technical High School Charter Site & Facilities Acquisition	
Westlake Charter Site & Facilities Acquisition	
Cost of Issuance of General Obligation Bond	

APPENDIX C
CITIZENS' OVERSIGHT COMMITTEE

**CALIFORNIA EDUCATION CODE
SECTION 15278-15282
CITIZENS' OVERSIGHT COMMITTEE**

15278. (a) If a bond measure authorized pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution and subdivision (b) of Section 18 of Article XVI of the California Constitution is approved, the governing board of the school district or community college shall establish and appoint members to an independent citizens' oversight committee, pursuant to Section 15282, within 60 days of the date that the governing board enters the election results on its minutes pursuant to Section 15274.

(b) The purpose of the citizens' oversight committee shall be to inform the public concerning the expenditure of bond revenues. The citizens' oversight committee shall actively review and report on the proper expenditure of taxpayers' money for school construction. The citizens' oversight committee shall advise the public as to whether a school district or community college district is in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The citizens' oversight committee shall convene to provide oversight for, but not be limited to, both of the following:

(1) Ensuring that bond revenues are expended only for the purposes described in paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(2) Ensuring that, as prohibited by subparagraph (A) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, no funds are used for any teacher or administrative salaries or other school operating expenses.

(c) In furtherance of its purpose, the citizens' oversight committee may engage in any of the following activities:

(1) Receiving and reviewing copies of the annual, independent performance audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(2) Receiving and reviewing copies of the annual, independent financial audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(3) Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(4) Receiving and reviewing copies of any deferred maintenance proposals or plans developed by a school district or community college district, including any reports required by Section 17584.1.

(5) Reviewing efforts by the school district or community college district to maximize bond revenues by implementing cost-saving measures, including, but not limited to, all of the following:

(A) Mechanisms designed to reduce the costs of professional fees.

(B) Mechanisms designed to reduce the costs of site preparation.

(C) Recommendations regarding the joint use of core facilities.

(D) Mechanisms designed to reduce costs by incorporating efficiencies in schoolsite design.

(E) Recommendations regarding the use of cost-effective and efficient reusable facility plans.

15280. (a) The governing board of the district shall, without expending bond funds, provide the citizens' oversight committee with any necessary technical assistance and shall provide administrative assistance in furtherance of its purpose and sufficient resources to publicize the conclusions of the citizens' oversight committee.

(b) All committee proceedings shall be open to the public and notice to the public shall be provided in the same manner as the proceedings of the governing board. The citizens' oversight committee shall issue regular reports on the results of its activities. A report shall be issued at least once a year. Minutes of the proceedings of the citizens' oversight committee and all documents received and reports issued shall be a matter of public record and be made available on an Internet website maintained by the governing board.

15282. (a) The citizens' oversight committee shall consist of at least seven members to serve for a term of two years without compensation and for no more than two consecutive terms. While consisting of a minimum of at least seven members, the citizens' oversight committee shall be comprised, as follows:

(1) One member shall be active in a business organization representing the business community located within the district.

(2) One member shall be active in a senior citizens' organization.

(3) One member shall be active in a bona fide taxpayers' organization.

(4) For a school district, one member shall be the parent or guardian of a child enrolled in the district. For a community college district, one member shall be a student who is both currently enrolled in the district and active in a community college group, such as student government. The community college student member may, at the discretion of the board, serve up to six months after his or her graduation.

(5) For a school district, one member shall be both a parent or guardian of a child enrolled in the district and active in a parent-teacher organization, such as the Parent Teacher Association or schoolsite council. For a community college district, one member shall be active in the support and organization of a community college or the community colleges of the district, such as a member of an advisory council or foundation.

(b) No employee or official of the district shall be appointed to the citizens' oversight committee. No vendor, contractor, or consultant of the district shall be appointed to the citizens' oversight committee. Members of the citizens' oversight committee shall, pursuant to Sections 35233 and 72533, abide by the prohibitions contained in Article 4 (commencing with Section 1090) and Article 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code.

APPENDIX D
GLOSSARY OF TERMS AND ACRONYMS

GLOSSARY OF TERMS AND ACRONYMS

ACSA	Association of California School Administrators
AOR	Architect of Record
CASBO	California Association of School Business Officials
CBOC	Citizens' Bond Oversight Committee
CDE	California Department of Education
CEQA	California Environmental Quality Act
CO	Change Order
CSBA	California School Boards Association
CUPCCAA	California Uniform Public Construction Cost Accounting Act
DSA	Division of State Architect
DTSC	Department of Toxic Substances Control
DVBE	Disabled Veteran Business Enterprise
EIR	Environmental Impact Report
GO Bond	General Obligation Bond
HVAC	Heating, Ventilation, AirConditioning
IOR	Inspector of Record
LCP	Labor Compliance Program
OPSC	Office of Public School Construction
PEA	Preliminary Environmental Assessment
RFI	Request for Information
SAB	State Allocation Board
SFP	School Facility Program
TBD	To Be Determined