Proposed Business Division Re-organization Plan

Board Meeting
September 6, 2018

Dr. Gunn Marie Hansen
Superintendent of Schools

David Rivera
Assistant Superintendent,
Business Services

Agenda

- Launch of Measure S Program
- Next Phase: Construction and Construction Management
- School District Facility – Industry Standards
- Proposed Recommendations

Measure S General Obligation Bond

- November 2016 Election for $288 million General Obligation Bond Authorization
- Provide new STEM Buildings at each high school (4) along with other site improvements
- Passed with 62.5% Local Voter Support

Measure S: Planning and Preconstruction

- Coordination of Services
  - Constructability reviews
  - Value engineering
  - Design to the budget
- Bidding Phase Services
  - Front end documents
  - Coordination with District Standards
  - Developing Construction Documents
- Selecting and Determining the Delivery Method
- Project Management
  - Flow of paperwork
  - Timely Communication and Logistics
    - Board
    - Cabinet
    - Leadership Team
    - Contractors
    - Community
    - City/County/State Agencies

Measure S: Milestones to Date

- Orange HS
  - Increment 1 - In Progress (Infrastructure)
  - Increment 2 – Bid by September 2018
  - Construction Commence by Nov. 2018
- Villa Park HS
  - DSA Approved Plans on August 16, 2018
  - Bid by November 2018
  - Commence Construction by December 2018
- El Modena HS
  - Estimated DSA approval by October 2018
  - Bid award by late January 2019
  - Commence Construction by late Winter 2019
- Canyon HS
  - Estimated DSA approval by Dec. 2018
  - Bid award by early February 2019
  - Commence Construction Spring 2019

All STEM Building Projects are on schedule!

Measure S (Next Phase): Construction and Construction Management

- Selecting and Leading the Team
  - Owner (District) Representative(s)
    - Facilities and Planning
    - Other Department Representatives
  - Construction Administration, Architect
  - Contractors
  - DSA Inspector of Record (IOR)
  - Site Administrator
- District needs support in planning and construction
- Giga workload, with big risks but big rewards
- High level of accountability and public scrutiny
- High volume of workload
  - Procurement and Contracts
  - Fiscal and Budgets
  - Communications/Meetings
    - Administrative
    - Site Stakeholders
    - Orange USD Community
    - Contractors/Architects/Agency(ies)

School District Facility - Industry Standards

Other Orange County District's Organizational Structure (Facility Functions)

Agency Name	Students	GO	$ Million	Facility Dept.	Staff	Department Name	Planning & Construction	Fiscal	Department Head	Division Head
Orange USD	28,522	1	$ 288	Yes	1	Facilities, Planning and Maintenance	Consultant	Consultant	Asst. Superintendent	Superintendent
District 1 - ESD	18,558	3	$ 598	Yes	7	Facilities and Planning	Employee	Employee	Senior Director	Chief Business Official
District 2 - HSD	30,964	2	$ 381	Yes	5	Facilities Planning, Design and Construction	Employee	Employee	Director	Chief Business Official
District 3 - USD	5,909	1	$ 27	Yes	4	Facilities, Maintenance, Operations & Transportation	Employee	Employee	Director	Chief Business Official
District 4 - USD	53,613	2	$ 185	Yes	4	Facilities Planning, Construction, Maintenance & Operations	Employee	Employee	Chief Facilities Officer	Chief Business Official
District 5 - USD	44,223	2	$ 561	Yes	5	Facilities	Employee	Employee	Director	Chief Business Official
District 6 - USD	21,581	2	$ 392	Yes	7	Facilities Support Services	Employee	Employee	Administrative Director	Chief Operating Officer
District 7 - USD	33,381	1	$ 319	Yes	10	Facilities and Planning	Employee	Employee	Director III	Chief Business Official
District 8 - USD	25,798	2	$ 302	Yes	4	Maintenance, Facilities and Construction	Employee	Employee	Executive Director	Chief Business Official
District 9 - USD	27,803	1	$ 180	Yes	4	Facilities, Construction and Maintenance	Employee	Employee	Chief	Chief Business Official
District 10 - USD	54,505	2	$ 345	Yes	8	Facilities, Government Relation Department	Employee	Employee	Asst. Supt. of Facilities	Superintendent
District 11 - USD	24,130	3	$ 310	Yes	13	Facilities	Employee	Employee	Manager	Chief Financial Officer

Purpose for a Facility Department

- Responsible for Efficient Utilization of Facilities and Properties
- Conducts and maintains Classroom and Building Utilization Studies (Determines Site Student Capacity)
- Ensures Facility Plans comply with District Standards
  - Educational Specifications
  - Maintenance Department Standards
- Oversee and Manage(s) designing and construction functions
- Provides management oversight for filing facility grant applications

Purpose for a Facility Department

- Develops and Implements Long Range Facility Master and Asset Management Plan
- District Representative who interacts and collaborates with city, county, state and federal agencies
- Ensure compliance of Board Policy(ies) {OUSD BP 7110(a)}
- Compiles Student Demographic Data
  - Multi-year enrollment projections and student housing needs
- Facility Use Agreements and Contracts

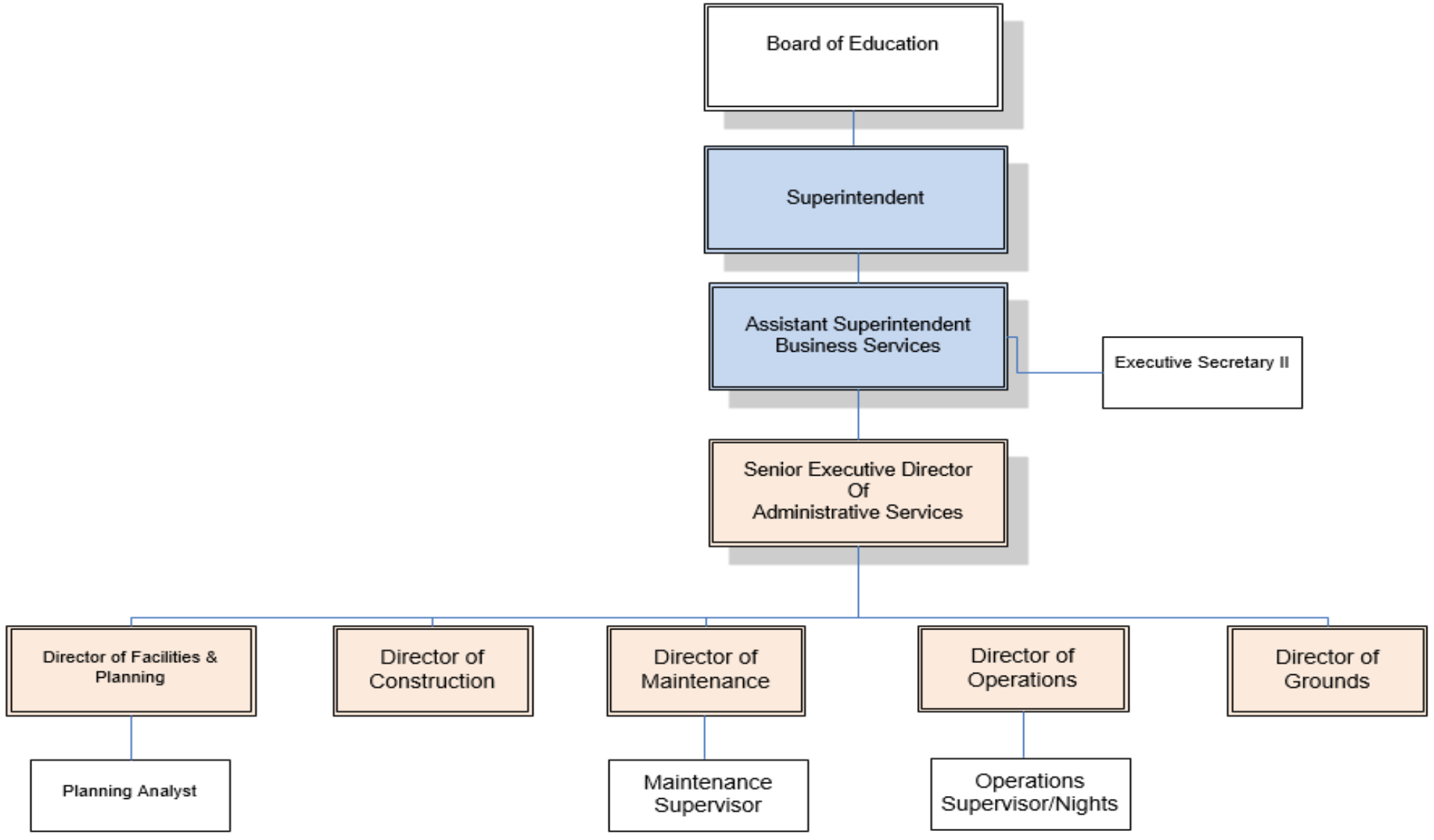
Considerations in Staffing the Program

- ✓ Consider Facilities as a Categorical Program
- ✓ Facilities is another function performed by the Business Department
- ✓ Building a team with Content Experts (Core Team)
- ✓ Selecting the right players at the right time
- ✓ Corporate history and background of existing facilities and property(ies)
- ✓ Establishing Expectation and Developing a culture of
  - Responsibility
  - Collaboration
  - Loyalty to results
  - Developing internal capacity
- ✓ Other Key Factors
  - Duration of Projects and Program

Cost Considerations:
Consultants/Owner Representatives are 1.5 to 2x the costs of employees.

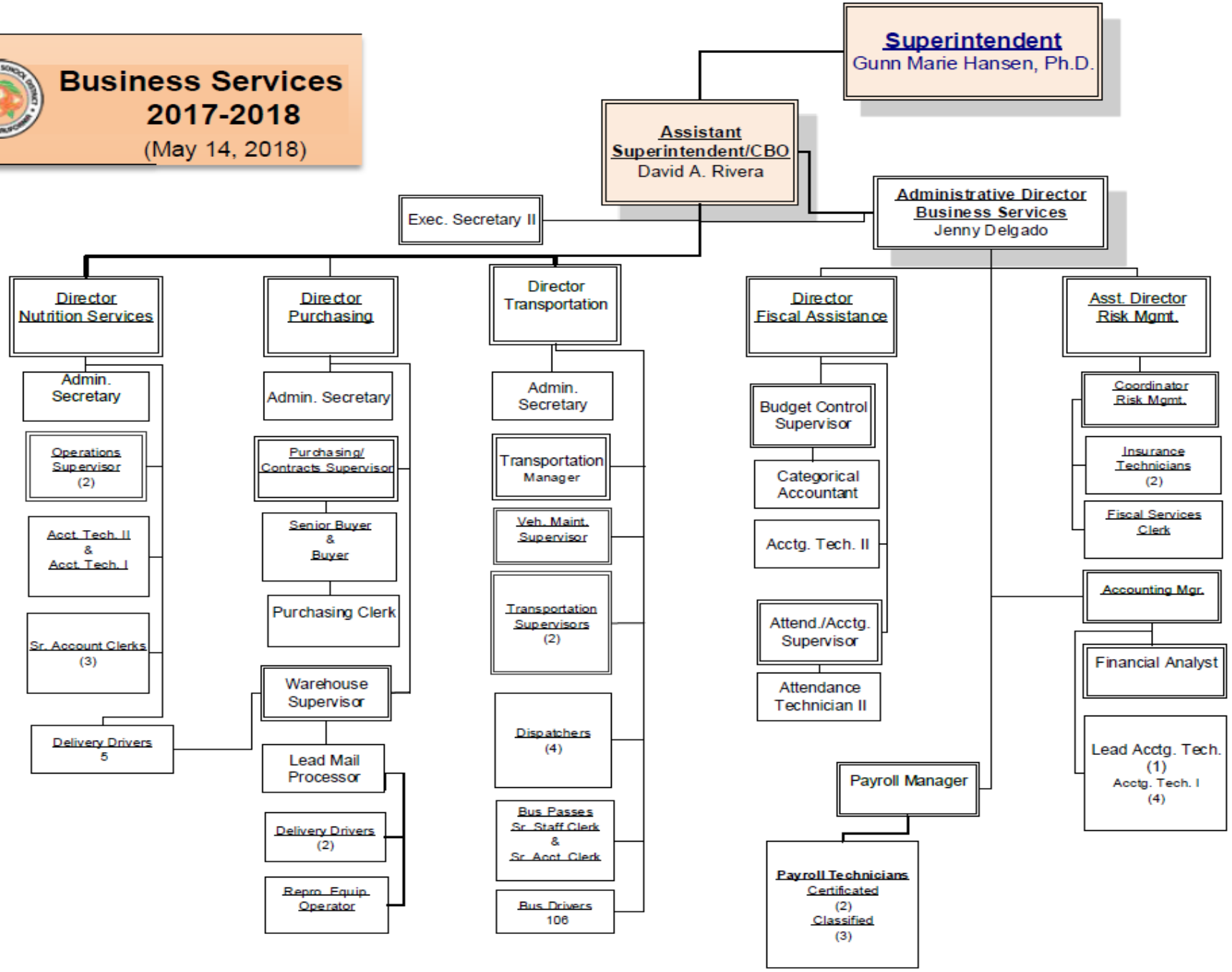
Organization Chart for Maintenance & Operation

Fiscal Year 2006 - 2007



Business Services 2017-2018

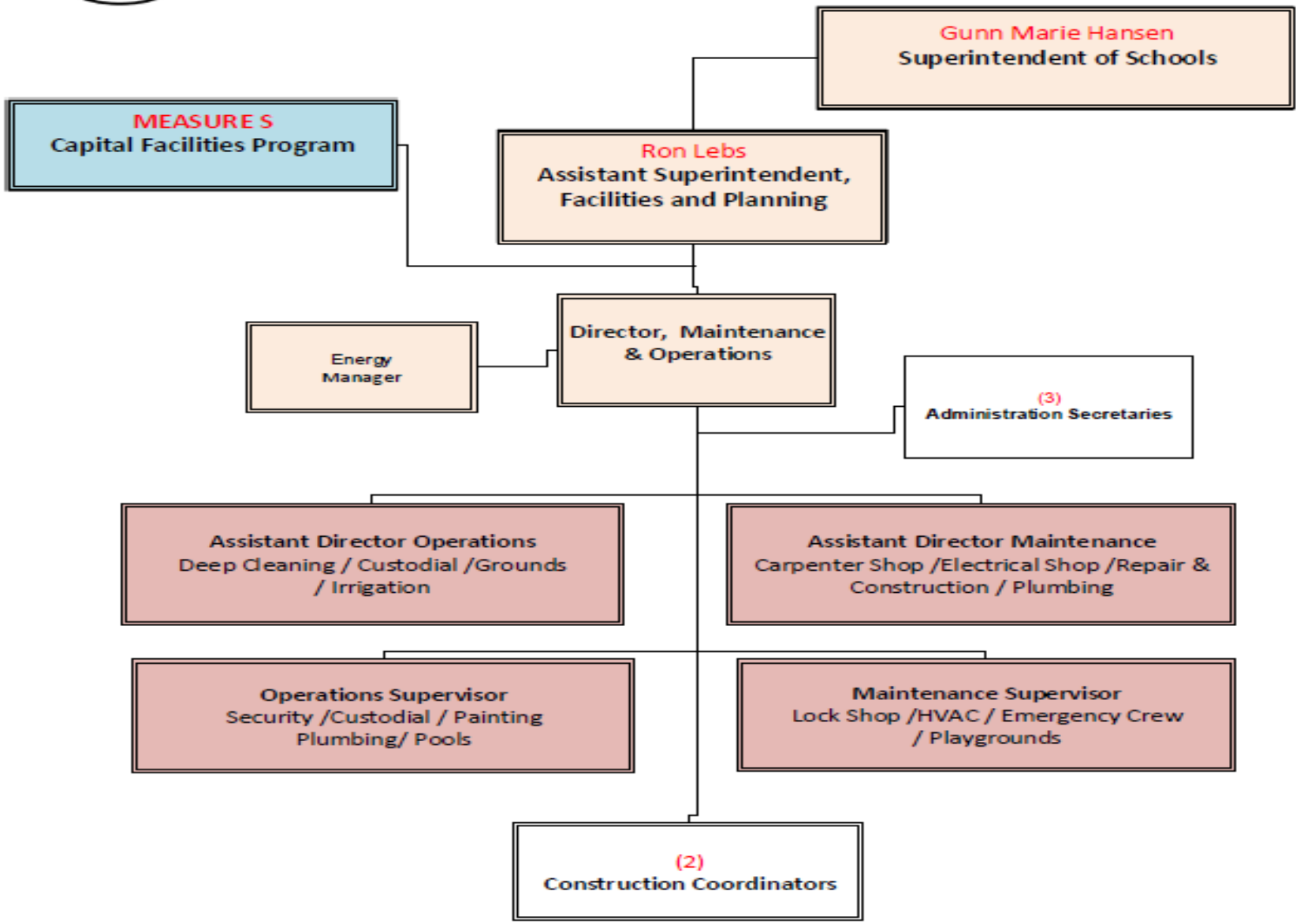
(May 14, 2018)



Current Organizational Structure

Updated: 5/2018

FACILITIES, MAINTENANCE & OPERATIONS ORGANIZATIONAL 2017-2018 CHART (May 14, 2018)



Current Organizational Structure

Updated: May 2018

Significant Facility Projects Underway

- Upcoming 24 Months
  1) Construction of STEM Buildings (4 High Schools)
  2) $80 million in Phase II Projects (4 High Schools)
  3) Renovation of Fred Kelly Stadium
  4) Athletic Fields (3 High Schools)
  5) El Modena HS Pool Project
  6) Solar Projects (7 Sites)
  7) Deferred Maintenance Projects
- Maintain a High Level of Creditability and Confidence by OUSD Community

Enhancing and Upgrading District Facilities:
Important component for Attracting & Retaining Students

Proposed Recommendations:

Business Services Division

Re-organization Plan

Recommended Process

- September 6 Meeting (Information Item)
  - Outline Recommendations
  - Board provide direction to staff
    - Place on future agenda for action
    - Request for more information
    - No action taken

Proposed Recommendation: Organization Change #1

- Close Assistant Superintendent, Facilities and Planning Position
- Restore Senior Executive Director, Administrative Services
- Collaborate with Senior Executive Director for other necessary positions/recommendations to add/restore

Rationale

- ✓ Meets District Needs
- ✓ Consistent with past structures and consistent with other Orange County Districts
- ✓ Cost Savings ($70,437 General Fund)

Proposed Recommendation: Organization Change #2

- Restore Executive Secretary Position, Administrative Services

Rationale

- ✓ Provides much needed clerical support to Senior Executive Director
- ✓ Consistent with past structures and consistent with other Orange County Districts
- ✓ Cost ($100,084 General Fund)

Proposed Recommendation: Organization Change #3

- Eliminate Contracted Services Agreement to provide Planning Analyst Services
- Restore Planning Analyst Position (Employee) in Administrative Services Department

Rationale

- ✓ Consistent with past structures and consistent with other Orange County Districts
- ✓ Cost ($125,553 General Fund)
- ✓ Cost Savings ($258,000 Measure S)

Proposed Recommendation: Organization Change #4

- Under the Plan, the Purchasing Department will report directly to the Senior Executive Director, Administrative Services

Rationale

- ✓ The procurement department will now collaborate with the facilities department and provide added management oversight of construction agreements
- ✓ No Added Cost

Proposed Recommendation: Organization Change #5

- Reclassify Administrative Director of Business Services to Executive Director of Business Services

Rationale

- ✓ Consistent with past structures
- ✓ Added fiscal responsibilities and management oversight for Measure S
- ✓ Cost ($10,519 General Fund)

Proposed Recommendation: Organization Change #6

- All projects are planned for the District to provide equipment and fixtures to help reduce overall project costs
- Immediate need for a position that is fully dedicated to purchasing fixtures, furniture and equipment (FFE) for new STEM Buildings
- Option 1 – Have services performed by consultant at a costs of $150/hour or approximately $288,000 per year
- Option 2 – Utilize consultant services for the short-term, but long-term add a new dedicated position (Employee) in the Purchasing Department to handle all FFE Acquisitions/Coordination at a costs of approximately $100,000 per year

Rationale

- Option 2 - Consistent with other Orange County Districts
- Option 1 Cost ($288,000 Measure S)
- Option 2 Cost ($100,000 General Fund)

Proposed Recommendations Summary (Annual Fiscal Impact)

General Fund

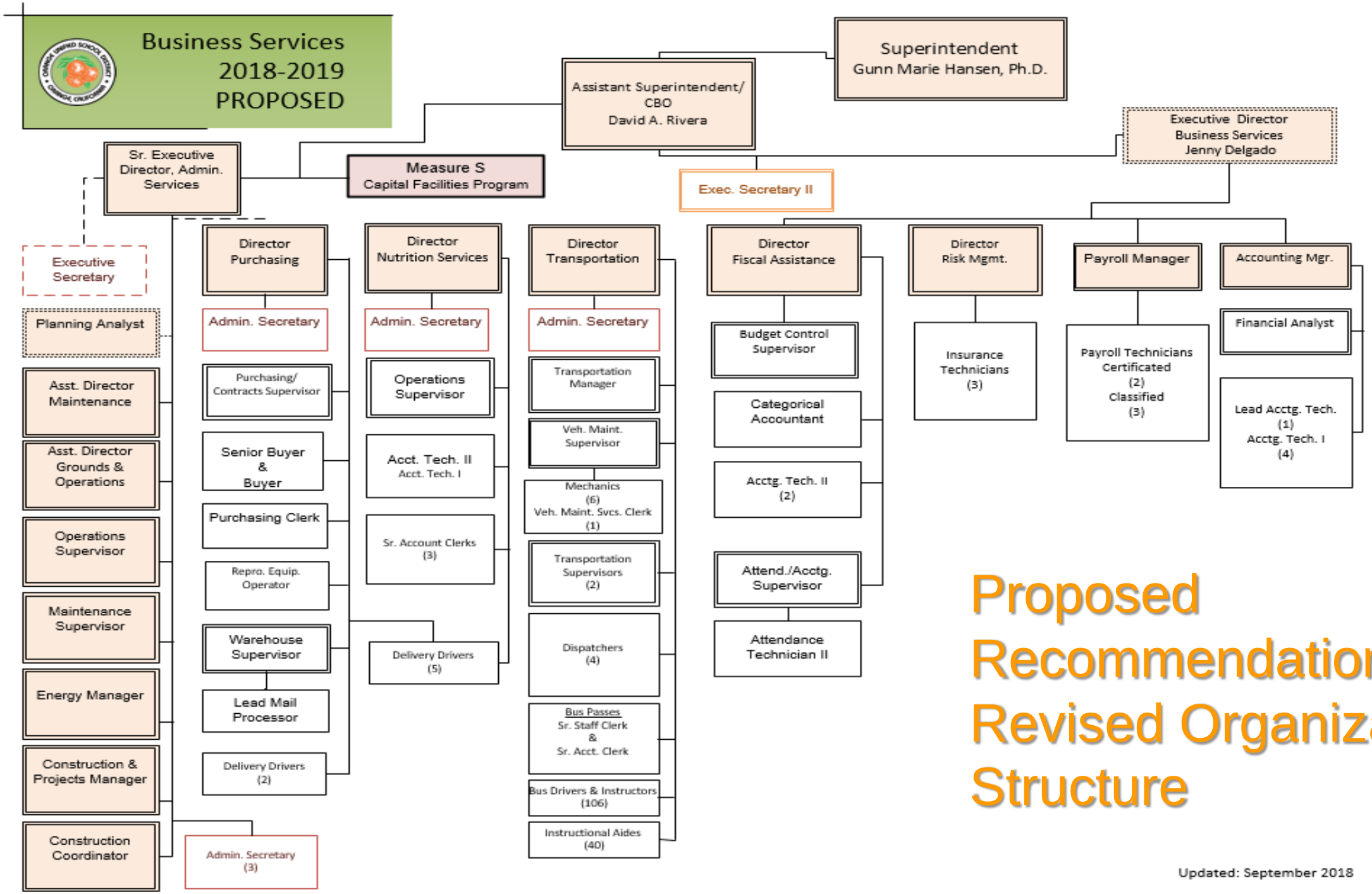
1. Restore Senior Executive Director
   Cost: ($70,437) Savings
2. Restore Executive Secretary Position
   Cost: $100,084
3. Restore Planning Analyst Position
   Cost: $125,553
4. Purchasing Department Reports to Senior Executive Director
   Cost: No Impact
5. Reclassify Administrative Director to Executive Director (Fiscal)
   Cost: $10,519
6. Hire an additional position in Purchasing
   Cost: $100,000

- **Net Impact: $265,719 Cost**

Measure S

1. Restore Senior Executive Director
   Cost: No Impact
2. Restore Executive Secretary Position
   Cost: No Impact
3. Restore Planning Analyst Position
   Cost: $258,000 Savings
4. Purchasing Department Reports to Senior Executive Director
   Cost: No Impact
5. Reclassify Administrative Director to Executive Director (Fiscal)
   Cost: No Impact
6. Hire (employee) rather than consultant
   Cost: $288,000 Savings

- **Net Impact: $546,000 Savings**



Proposed Recommendation: Revised Organization Structure

Updated: September 2018



Questions or Comments from the Board