



# ALUM ROCK UNION ELEMENTARY SCHOOL DISTRICT

2930 Gay Avenue, San José, CA 95127 · Phone: 408-928-6800 · Fax: 408-928-6416 · [www.arusd.org](http://www.arusd.org)

August 4, 2017

## **VIA CERTIFIED U.S. MAIL AND E-MAIL**

Luis Rojas (E-mail: [luis@deltterra.com](mailto:luis@deltterra.com))  
Del Terra Group  
13181 Crossroads Pkwy. North, Suite 540  
City of Industry, CA 91746

**Re: Request for Records, Documents and Deliverables pursuant to Program Management Agreement (Measure "J") dated November 10, 2016**

Dear Mr. Rojas:

Del Terra Real Estate Services Inc., dba Del Terra Group ("Del Terra") and Alum Rock Union Elementary School District ("the District") entered into a Program Management Agreement (the "Agreement") dated November 10, 2016, by which Del Terra agreed to provide program management services for the District's Measure J bond program.

The Agreement provides that the District is the sole owner of all documents prepared in the course of and in connection with Del Terra's work under the Agreement. (Art. 1.7.) The Agreement further provides that Del terra shall maintain complete and accurate books and records with respect to services, expenses, receipts and other information required by District to verify the scope or charges for any services provided under the Agreement and any payment application submitted to the District by Del Terra. (Art. 6.1.1.) The Agreement further provides that Del Terra shall maintain accurate and detailed records of the time devoted by Del Terra's staff to all of the services provided under the Agreement and accurate and detailed records of Reimbursable Expenses pertaining to projects on the basis of generally accepted accounting principles, which must be made available to District upon request. (Art. 4.2.4.) The Agreement requires that, upon the District's request, Del Terra will provide to the District all documents and records relating to the Agreement and the performance of the work under the Agreement. (See, e.g., Art. 1.7; Art. 6.1.2.)

The District is the subject of a recent Extraordinary Audit dated June 9, 2017, by the Fiscal Crisis & Management Assistance Team (FCMAT). With regard to the Agreement, FCMAT recommended that:

1. The District should require all Measure J project files and documents to be immediately turned over to the District in an organized fashion and that, as per the Agreement, Del Terra should also assist the district in organizing the District's filing system and plan room per the terms of the Agreement;
2. The District should require Del terra to provide all reports, project files and documents per the terms and requirements of the Agreement;

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Hilaria Bauer, Ph.D., Superintendent

Board of Trustees: Khanh Tran, President · Andrés Quintero, Vice-President  
Dolores Márquez-Frausto, Clerk · Esau Ruiz Herrera, Member · Karen Martinez, Member

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3. The District should require Del Terra to provide monthly program and project budget and expenditure reports per the terms and requirements of the Agreement;
4. The District should notify Del Terra to develop and maintain with District staff an overall bond program financial management system in the area of program and project accounting;
5. The District should notify Del Terra to provide any and all documents regarding the District's CUPCAA contracting practices, including but not limited to all documents relating to the prequalification of contractors and bidders since 2013;
6. The District should request Del Terra to provide a retroactive list (back to 2013) as well as a current list, of all key personnel and all personnel under the Agreement. If Del Terra personnel perform work in both program management and construction management, then Del Terra's response should include the percentage of time spent in each; and
7. The District should secure from Del Terra all bid documents or contracts that were prepared by the Del Terra Group and ensure that the proper bid documents are on file at the District.

At a special meeting held on July 27, 2017, the District's Governing Board acknowledged the FCMAT recommendations and the Board took an action to inform and respond to County Superintendent Jon Gundry that the District would notify Del Terra no later than August 4, 2017, to provide all of the above-requested information. Consistent with the Board's July 27 action, this is to request that Del Terra provide the District with all of the documents specified in items #1 - #7 above and all Measure J bond program and project files and documents relating to all services performed in connection with the Agreement including but not limited to all of the following documents, records, and information:

1. All "Deliverables" and "Deliverable Schedules" as defined in Art. 1.1.27 and 1.1.28 of the Agreement.
2. All "Design Documents" and "Drawings" (as defined in Art. 1.1.31 and Art. 1.1.33) for all projects.
3. All "Field Directives" as defined in Art. 1.1.35 of the Agreement.
4. All "Master Program Schedules" as defined in Art. 1.1.44, including but not limited to all drafts and final Master Program Schedules and all construction schedules. (See also Art. 2.1.8.)
5. All "Specifications" as defined in Art. 1.1.55.
6. All "Submittals" as defined in Art. 1.1.60.
7. All scopes of work for Bond Program Campus Projects (Art. 2.1);
8. All cost estimates verified and updated by Del Terra for the District's facilities master plan (Art. 2.1);
9. Measure J comprehensive master implementation plan (Art. 2.1);

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10. All master project communication plans developed by Del Terra (Art. 2.1);
11. All program budgets and schedules (see, e.g., Art. 2.1; Art. 2.1.4; Art. 2.1.8; Art. 2.2.2);
12. All requests for qualifications and requests for proposals prepared by Del Terra for construction management services, design and technical services and other professional services in connection with the Agreement (Art. 2.1);
13. All new and pre-existing "as-built" drawings of District structures (Art. 2.1);
14. All correspondence with DSA (Art. 2.1);
15. All Bond Program records including but not limited to all records, correspondence, contracts, technical studies, etc. (Art. 2.1);
16. All annual reports on Bond Program and project progress, cost analyses, and future cash flow requirements (Art. 2.1);
17. All documents relating to the document control management system developed and implemented by Del Terra (Art. 2.1);
18. All documents relating to the District's Labor Compliance Program developed by Del Terra (Art. 2.1);
19. All documents relating to the constructability reviews prepared by Del Terra (Art. 2.1);
20. All analyses and reports prepared by Del Terra for the District with recommendations to the District to maintain established budgets (Art. 2.1)
21. All reports specified in Art. 2.1.1.1 including but not limited to all monthly progress reports, and:
  - a. Program Status Reports prepared for each project;
  - b. Project Schedules for each project including updates of actual performance against the approved baseline schedule;
  - c. Budget, actual, forecast to complete, and budget available balances.

All reports should use standard templates for budget and expenditure reports, reporting all program funds, encumbered, expended and remaining balances.

22. All meeting minutes for meetings of any kind (Art. 2.1.2);
23. All Master Program Schedules, Master Summary Schedules and proposed and approved baseline schedules for all Campus Projects (Art. 2.1.3 and Art. 2.1.8) and all critical path schedules and short term ("look ahead") schedules, including but not limited to all

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baseline schedules prepared and submitted to the District Superintendent for each project;

24. All Campus Project and Bond Program level budgets (Program Budget) for each Campus Project (Art. 2.1.4);
25. All documents relating to the document control and master file archives system implemented by Del Terra (Art. 2.1.6);
26. All written recommendations to the District for selection of a Design Consultant or Specialty Consultant (Art. 2.2.3);
27. All records and documents relating to the prequalification of contractors (Art. 2.3.1);
28. All bid reviews and recommendations for award (Art. 2.3.3);
29. All expense and invoicing records as maintained pursuant to Articles 4.2.4 and 6.1.2.
30. All monthly payment applications. (Art. 5.1.1)
31. All books and records with respect to services, costs, expenses, receipts and information reflecting Del Terra's scope of work or charges. (Art. 6.1.1.)
32. Primary insurance certificates and amendatory endorsements effecting coverage. (Art. 8.2.8.)
33. Insurance certificates and endorsements for all subconsultants. (Art. 8.2.9.)
34. Any notice, demand, or request given under the Agreement by Del Terra to the District. (Art. 10.2.)
35. A list of all key personnel employed by Del Terra in connection with the performance of the Agreement, and which shall include all names, titles and periods of employment in connection with the performance of the Agreement.

This is also to request that, once the documents and information are delivered, District and Del Terra representatives meet to discuss the development and maintenance of an overall bond program financial management system in the area of program and project accounting.

As to the transfer of Del Terra's electronic and electronically stored records and files, please contact me to discuss the orderly transmission of such information and data to the District.

Please confirm all of the requested records, files and documents will be delivered to the District offices no later than Friday, August 28, 2017. Also, I am requesting that, no later than Monday, August 24, 2017, you inform me of the approximate volume of such records (including total

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approximate number of boxes to be delivered) so that we can arrange appropriate filing and/or storage space.

Please do not hesitate to contact me with any questions regarding the above. We thank you for your prompt attention to this request and look forward to receiving the documents.

Sincerely,



Kolvira Chheng  
Assistant Superintendent of Business Services

cc: Hilaria Bauer, Ph.D., Superintendent

Kevin Collins, Esq.  
Alston + Bird, LLP  
333 South Hope Street, 16<sup>th</sup> Floor  
Los Angeles, CA 90071

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