

**Minutes of the Monday, May 1, 2017
Regular Meeting of the Fremont Union High School District's
Bond and Parcel Tax Citizens' Oversight Committee**

**Location: Fremont Union High School District Administration Building
589 W. Fremont Avenue, Sunnyvale CA 94087**

- 1. Call to Order: The meeting was called to order at 5:02pm by President Sam Zuccaro.**

Flag Salute and Roll Call

Present: Harvey Barnett, Mark Burns, Jerd Ferraiuolo, David Fung, Srikant Gokulnatha, Roberta Hollimon, Susan Hough, Robert Pochowski, Kris Rausch, Darryl Stow, Susan Strawbridge, and Sam Zuccaro

Staff Present: Polly Bove, Eva Choy, Graham Clark, Aram Darmanian, John Dwyer, Christine Mallery, and Erik Walukiewicz

**FUHSD Board
Of Trustees:** Roy Rocklin
- 2. Introduction of Guests**
 - 2.1 Zuccaro welcomed FUHSD Board of Trustees Member, Roy Rocklin.
- 3. Adoption of Agenda**
 - 3.1 On motion by Hollimon and second by Barnett, the Agenda was adopted.
- 4. Approval of Minutes**
 - 4.1 On a motion by Ferraiuolo and second by Gokulnatha, the February 27, 2017 COC Minutes were approved.
- 5. Official Business**
 - 5.1 Discussion of the Committee's Role, Plans, Requirements and Operation

Zuccaro reported that he presented the COC Annual Report to the Board on March 21st at CHS. Each member of the Board of Trustees gave the COC kudos for their volunteer work on the committee. They really appreciate the time commitment and dedication to the community.
 - 5.2 Discussion of the Committee's Website Requirements, Design, and Maintenance*

Aram Darmanian reported website activity for the quarter. He asked the COC if the reports were useful, and if there was additional information the COC would like to be

included. There was agreement to keep providing the reports, but Burns requested information about the number of hits on a certain webpage (for example, the roster page). Aram will follow up on this.

Fung commented that the COC did not get a copy of the latest bond updates. Aram explained that typically the bond updates are published on the website the day after the COC meetings and are typically presented to the Board prior to being presented to the COC. However, this quarter the COC meeting was held the night before the Board meeting. Aram wanted to email the presentation to the Committee after it was sent to the Board in their packet, but it was too large. He will explore other ways of sharing it (Dropbox, Google Docs). A copy will be posted after this meeting.

5.3 Discussion of any other topic related to the Bond Program and COC activities

Graham Clark reported that Polly Bove, Hung Wei, Amber Emery, Zuccaro, and he took a field trip to visit a sample “Folia” building. Zuccaro reported that he was pleasantly surprised with the quality of the Folia building.

6. Bond Program Reports

6.1 Update and Discussion of Bond Program Progress, Status, Plans, and Expenses*

Graham Clark presented the updates on the bond program projects. By June, there will be construction at all five high schools in the District. Despite the delays caused by rain this year, there are no delays in any of the schedules. There were 29 rain days in the CHS construction schedule, but the move-in date for the 25 new classrooms is still December 2017.

HHS Innovation Hub: Graham Clark reported that they were able to reduce the budget by \$500k by eliminating the auto shop building. (HHS has decided not to provide auto shop classes. HHS students wishing to take auto shop will be able to take the classes at FHS.) Sam asked if the District considered renovating the existing building instead of utilizing new construction when the design was changed to a one-story building. Graham responded that they did consider that option, but they did not choose it as the building was not large enough and was also on the list of buildings requiring seismic upgrades.

Christine Mallery reported that there are no recorded budget changes to present at Board meeting tomorrow night. There is a study session before the Board meeting to discuss the issuance of the next set of bonds.

6.2 Program Management

Zuccaro explained the reason for this agenda item. At the February 2016 COC meeting,

the District announced that there were changes in the bond measure project team. Kitchell, who had been the District's program management consultant, would no longer be performing that role. Blach Construction was hired to become the construction management consultant. Graham Clark would now be presenting the program updates. Since this represented a major change to how the District is managing the Measure K Bond project, the COC requested further explanation of how it will be managed. One specific concern is whether there is a conflict of interest with Blach managing the overall project but also bidding on the construction projects. Another concern is the business relationship among Blach and Folia and QKA Architects.

Polly Bove explained the reason for the change from Kitchell to Blach Construction. First, the consultant fees for utilizing Kitchell were expected to increase. The District was currently paying \$1M/year, and there was a proposed sizeable increase to this amount. Next, the District felt that with the experience they gained from the Measure B project, they did not need many of the services provided by Kitchell. Christine Mallery added that the financial reporting, budget tracking, and contract management is improved now that these functions are done in house and not by Kitchell. Polly Bove said that with the help of the District's attorneys, they looked for another consultant and ultimately chose Blach. The attorneys researched the potential areas of conflict of interest and approved the hiring of Blach.

Graham Clark presented the organization chart showing four Blach employees who report to him. Ralph Jackson is an additional consultant used for special, complicated projects. The fees for using Blach are approximately \$1M/year, saving the District almost \$1M/year in consulting fees. He pointed out that bidding for construction projects is very competitive. This keeps the costs down and ensures that there is no waste or price inflation. Also, the District cannot grant one company more than 30% of the work. Christine Mallery added that they have software that shows them average construction prices which are very helpful in evaluating contractor bids.

Zuccaro asked if Blach was then poised to qualify for \$100M (30%) worth of construction along with the \$1M annual construction management contract. Zuccaro spoke of concern that their \$1M worth of construction management contracts would pale in comparison to their potential construction contracts. Graham Clark indicated that their potential contracts would probably be closer to \$65M.

Polly Bove also explained the use of Folia buildings. First, the District is not committed to using Folia for the pre-engineered buildings. The term has been used loosely; they will work on changing this. However, in their investigation, they have found Folia to be superior in regard to quality. Pre-engineered buildings will only be used in specific projects where they make sense. The decision to use Folia at CHS was made in 2015 before Blach was hired as the overall contract manager. The project was \$5M over

budget; using Folia buildings allowed the project to be done without cutting classrooms from the design. QKA also reduced their fees to help stay in budget.

Barnett asked what would happen to the District employees when the Measure K bond project is finished. Polly Bove responded that they would most likely be reassigned in other areas.

Ferraiuolo asked who prepares the requests for bids. Christine Mallery answered that the RFQs are now done internally by her and Aram Darmanian.

Stow asked if Graham Clark had a background in construction management. Graham Clark responded that he has experience in construction from his time in the Navy as well as working for Westinghouse. Polly Bove added that Graham Clark's recent position as a respected principal at HHS has been instrumental to his role as a liaison to the schools. The projects must be managed with minimal disruption to the schools, requiring a lot of coordination with the principals.

Fung asked if the constraint to limit the projects granted to one company to 30% would be eliminated if Blach Construction was not the overall contract manager. Polly Bove responded that the constraint is not due to using Blach Construction, but a constraint they must meet regardless.

Fung also asked if Blach might be tempted to favor a proprietary solution. Polly Bove said that Blach is not included in the Design Phase, so this is highly unlikely to happen.

Ferraiuolo requested that the term "pre-engineered building" be used instead of Folia. Graham Clark agreed with this. Polly Bove commented that in addition to the high quality of Folia, they are one of the few pre-engineered buildings that are DSA-approved. However, it is a good idea to keep to generic terms.

Polly Bove asked if the COC would like a presentation by the District's attorneys to reinforce the comfort of using Blach Construction for contract management. There was a general consensus that it was not needed after today's presentation.

7. Parcel Tax Report

7.1 Update and Discussion of Parcel Tax: Annual Report on the Parcel Tax Revenue and Expenditures*

Christine Mallery reported that she received a call last October from someone calling on behalf of the Grand Jury asking questions about the Parcel Tax. Apparently, a report is going to be published soon by the Grand Jury on the parcel taxes with respect to spending in the Santa Clara County public high schools. The District does not know what will be in the report, but the COC should be aware of it.

8. Communications

There were no comments from the members of the public.

9. Future Agenda Items

The next COC meeting will be September 11, 2017, at 5 pm at the Fremont Union High School District Administration Building at 589 W. Fremont Avenue, Sunnyvale.

10. Adjournment

The meeting was adjourned at 6:12 pm.

Submitted by

A handwritten signature in blue ink, appearing to read 'Susan Strawbridge', with a long horizontal flourish extending to the right.

Susan Strawbridge
Secretary

*Exhibits