



ALUM ROCK UNION ELEMENTARY SCHOOL DISTRICT

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ADDENDUM 2 FOR RFP No. 2122 – BUS02 Financial Advisor Services Q & A

Q. The Form of Agreement mentions contingent fees. Just to be clear, does the District require contingent fees? We ask because we do not work on a contingency fee basis.?

A. As to the first question, fees on a contingency basis are not being required and are in fact not desirable to the District for any proposed “pre-election” services. Pre-election services may be flat fee or hourly, and will not be paid or reimbursed from proceeds of any future bond issue.

That said, the District is familiar with and expects to receive a fixed fee proposal for each bond transaction of a given type (e.g., “new money” bonds, refunding bonds, Certificates of Participation financings, etc.), which fee is contingent upon the successful closing of the transaction and paid from proceeds of the financing. For all municipal advisory services being proposed, whether fixed fee or per-unit/hourly fees, the District will need to receive a proposal with a clear delineation of all fees and expenses being proposed that are related to the service being offered, whether pre-election services, in connection with a bond transaction, or post-issuance services. To the extent any of your firm’s services are provided on an hourly billing basis, the District requires that you provide a schedule of your hourly charges for any proposed professionals within the firm (or any subcontractors) providing the services.

Q. Page 7 of the RFP refers to a “pricing sheet”. We don’t see one in the RFP. Of course, we would include in our proposal document information regarding our fees (non-contingent) per page 16 of the RFP.

A. Pricing sheet or template is not provided in the RFP. However, a pricing sheet needs to be provided by each firm following the instructions on page 16, section 11 under the RESPONSE CONTENT section.

Q. Page 16 of the RFP mentions including attachments A, B, C, and D signed as indicated. Since attachment D is the blank Form of Agreement, and therefore not ready for signature, how would you like to handle this? Perhaps it doesn’t need to be included?

A. Attachment D of RFP does not have to be included. This Agreement will be tailored to the awarded firm.

Hilaria Bauer, Ph.D., Superintendent

Board of Trustees: Corina Herrera-Loera, President · Andrés Quintero, Vice-President
Ernesto Bejarano, Clerk · Linda Chavez, Member · Minh Pham, Member

Q. We see in the RFP the overview description of the types of financial advisory services the District may request. Is there a specific financing or project the District is currently considering for 2022, such as perhaps issuing bonds?

A. Issuance of bonds and parcel tax, but may included other services noted in the RFP.

Q. Is there a firm assisting the District with continuing disclosure reporting or is the District preparing and filing the reports entirely on its own? If there is a firm assisting the District, can you please let us know who that is.

A. Yes, we have a firm that is assisting the District with continuing disclosure. The District would like to refrain from disclosing the name of the firm.

Q. We understand that the District's 2016 general obligation bond measure (Measure I) reapproved \$139,999,671.60 of bonds originally approved by voters in June 2008 (Measure G) and that, following the successful Measure I election, this amount of remaining Measure G authorization was cancelled. Can you please let us know why the District implemented this plan? Was there something about Measure G that made issuing the \$139,999,671.60 bonds pursuant to the original Measure G authorization less attractive or variable (such as wishing to pursue different projects than Measure G authorized)?

A. Please see attached Board Resolution (Exhibit A).

Please submit a signed copy of this addendum with your RFQ response.

Company Name: _____

Signature: _____

Print Name: _____ Date: _____

Hilaria Bauer, Ph.D., Superintendent

Board of Trustees: Corina Herrera-Loera, President · Andrés Quintero, Vice-President
Ernesto Bejarano, Clerk · Linda Chavez, Member · Minh Pham, Member

Exhibit A

RESOLUTION NO. _____.

RESOLUTION OF THE BOARD OF TRUSTEES OF THE
ALUM ROCK UNION ELEMENTARY SCHOOL DISTRICT
ORDERING AN ELECTION, AND ESTABLISHING
SPECIFICATIONS OF THE ELECTION ORDER

WHEREAS, the Board of Trustees (the "Board") has determined that each public school within the Alum Rock Union Elementary School District (the "District"), needs to be upgraded, repaired, improved, and better equipped, to enable the District to enhance the educational opportunities of all the students in the District and to achieve one of the Board's primary goals of providing comparable schools for all students throughout the District; and

WHEREAS, the State of California (the "State") is not providing the District with enough funding for the District to adequately maintain its educational facilities and academic programs; and

WHEREAS, the Board has concluded that the District's only remedy to avoid undermining its educational programs is to secure local funding that the State cannot take away; and

WHEREAS, the Board has received information regarding the possibility of a local bond measure; and

WHEREAS, such a measure must include mandatory taxpayer protections, including an independent citizens' oversight committee and mandatory audits to ensure funds are spent properly; and

WHEREAS, on November 7, 2000 the voters of California approved the Smaller Classes, Safer Schools and Financial Accountability Act ("Proposition 39") which, as of its effective date, reduced the voter threshold for ad valorem tax levies used to pay for debt service or bonded indebtedness to 55% of the votes cast on a school district general obligation bond; and

WHEREAS, concurrent with the passage of Proposition 39, Chapter 1.5, Part 10, Division 1, Title 1 (commencing with Section 15264) of the Education Code (the "Act") became operative and established requirements associated with the implementation of Proposition 39; and

WHEREAS, the Board desires to make certain findings herein to be applicable to this election order and to establish certain performance audits, standards of financial accountability and citizen oversight which are contained in Proposition 39 and the Act; and

WHEREAS, on June 3, 2008, the District's voters approved Measure G, a \$179 million bond measure ("Measure G") under the provisions of Proposition 39; and

WHEREAS, the District has issued \$39,000,328.40 of bonds under Measure G and has determined that it cannot access the remaining authorization on terms that are acceptable to the District and advantageous to the taxpayers of the District; and

WHEREAS, the Board desires to authorize the submission of a proposition to the District's voters at an election to reapprove the issuance of Measure G bonds as new bonds without increasing the total amount of authorized District debt to pay for certain necessary improvements and enhancements to District educational facilities; and

WHEREAS, the Board hereby determines, in accordance with the opinion of the Attorney General of the State of California, that the restrictions in Proposition 39 which prohibit any bond money from being wasted or used for administrative salaries or other operating expenses of the District be strictly monitored by the Citizens' Oversight Committee; and

WHEREAS, pursuant to Education Code Section 15270, based upon a projection of assessed property valuation, the Board has determined that, if approved by voters, the tax rate levied to meet the debt service requirements of the bonds proposed to be issued will not exceed the Proposition 39 limits per year per \$100,000 of assessed valuation of taxable property; and

WHEREAS, Section 9400 *et seq.* of the Elections Code of the State of California (the "Elections Code") requires that a tax rate statement be contained in all official materials, including any ballot pamphlet prepared, sponsored or distributed by the District, relating to the election; and

WHEREAS, the Board now desires to authorize the filing of a tax rate statement and ballot argument in favor of the proposition to be submitted to the voters at the election; and

WHEREAS, pursuant to 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, June 7, 2016, and to request that the Santa Clara County Registrar of Voters perform certain election services for the District;

NOW THEREFORE, THE BOARD OF TRUSTEES OF THE ALUM ROCK UNION ELEMENTARY SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the Board, pursuant to Education Code Sections 15100 *et seq.*, 15264 *et seq.*, and Government Code Section 53506, hereby requests the Santa Clara County Registrar of Voters to conduct an election under the provisions of Proposition 39 and the Act and submit to the electors of the District the question of whether bonds of the District in the aggregate principal amount not to exceed \$139,999,671.60 (the "Bonds") shall be issued and sold for the purpose of raising money for the purposes described in Exhibits "A" and "B" hereto. Both exhibits are directed to be printed in the voter pamphlet. If the Bonds are approved and issued, the Board covenants that it will cancel and shall not authorize the issuance of Measure G bonds in a like amount.

Section 2. That the date of the election shall be June 7, 2016.

Section 3. That the purpose of the election shall be for the voters in the District to vote on a proposition, a copy of which is attached hereto and marked Exhibit "A" and incorporated by reference herein, containing the question of whether the District shall issue the Bonds to pay for improvements to the extent permitted by such proposition. In compliance with Proposition 39 and the Act, the ballot proposition in Exhibits "A" and "B" are subject to the following requirements and determinations:

(a) the proceeds of the sale of the Bonds shall only be used for the purposes set forth in the ballot measure and not for any other purpose, including teacher and administrator salaries and other operating expenses;

(b) that the Board, in establishing the projects set forth in Exhibit “B,” evaluated the safety, class size reduction and information technology needs of the District as well as the importance of the projects to student achievement and enhanced instruction;

(c) that the Board will cause to be conducted an annual, independent performance audit to ensure that the Bond moneys get expended for the projects identified in Exhibit “B” hereto;

(d) that the Board will cause an annual, independent financial audit of the proceeds from the sale of Bonds to be conducted until all of the Bond proceeds have been expended;

(e) that the Board will cause the appointment of a Citizens’ Oversight Committee in compliance with Education Code Section 15278 no later than 60 days after the Board enters the election results in its minutes pursuant to Education Code Section 15274. The Citizens’ Oversight Committee shall initially consist of at least seven (7) members and at no time consist of less than seven (7) members, with the possible exception of brief periods to fill any unexpected vacancies. The Citizens’ Oversight Committee may not include any employee or official of the District or any vendor, contractor or consultant of the District. The Citizens’ Oversight Committee shall include all of the following: One (1) member who is active in a business organization representing the business community located within the District; One (1) member who is active in a senior citizens’ organization; One member who is active in a bona fide taxpayer association; One (1) member who is a parent of a child in the District schools; One (1) member is both a parent of a child in the District schools and active in a school site council or PTA. In furtherance of its specifically enumerated purposes, the Citizens’ Oversight Committee may engage in any of the following activities relating solely and exclusively to the expenditure of the Proposition 39 bond proceeds:

(i) Receive and review copies of the annual, independent financial and performance audits performed by independent consultant(s);

(ii) Inspect District facilities and grounds to ensure that Proposition 39 bond revenues are expended in compliance with applicable law;

(iii) Receive and review copies of all deferred maintenance proposals or plans developed by the District;

(iv) Review efforts of the District to maximize Proposition 39 bond revenues by implementing cost-saving programs;

(v) Receive from the Board, within three months of the District receiving the above-described audits, responses to any and all findings, recommendations, and concerns addressed in said audits, and review said responses; and

(f) that the tax levy authorized to secure the Bonds of this election shall not exceed the Proposition 39 limit per \$100,000 of taxable property in the District when assessed valuation is projected by the District to increase in accordance with Article XIII A of the California Constitution.

Section 4. That the authority for ordering the election is contained in Education Code Sections 15100 *et seq.*, 15264 *et seq.*, and Government Code Section 53506.

Section 5. That the authority for the specifications of this election order is contained in Sections 5322 of the Education Code.

Section 6. That the Santa Clara County Registrar of Voters and the Santa Clara County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on June 7, 2016 within the District.

Section 7. That the Secretary of the Board is hereby directed to send a certified copy of this Resolution to the Santa Clara County Registrar of Voters no later than March 11, 2016.

Section 8. That the Bonds shall be issued pursuant to Section 15264 *et seq.* of the Education Code or Section 53506 of the Government Code. The maximum rate of interest on any Bond shall not exceed the maximum rate allowed by Education Code Sections 15140 to 15143, as modified by Government Code Section 53531.

Section 9. That the Board requests the governing body of any such other political subdivision, or any officer otherwise authorized by law, to partially or completely consolidate such election and to further provide that the canvass of the returns of the election be made by anybody or official authorized by law to canvass such returns, and that the Board consents to such consolidation. The Board further authorizes the submission of a tax rate statement and primary and rebuttal arguments, as appropriate, to be filed with the Santa Clara County Registrar of Voters by the established deadlines.

Section 10. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of Santa Clara County is requested to permit the Registrar of Voters to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse Santa Clara County, such services to include the publication of a Formal Notice of School Bond Election and the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code) pursuant to the terms of Section 5363 of the Education Code and Section 12112 of the Elections Code.

ADOPTED, SIGNED AND APPROVED this 27th day of February, 2016.

BOARD OF TRUSTEES OF THE ALUM ROCK
UNION ELEMENTARY SCHOOL DISTRICT

By _____
President

Attest:

Secretary

STATE OF CALIFORNIA)
)
SANTA CLARA COUNTY)

I, Dr. Hilaria Bauer, do hereby certify that the foregoing is a true and correct copy of Resolution No. _____, which was duly adopted by the Board of Trustees of the Alum Rock Union Elementary School District at meeting thereof held on the 27th day of February, 2016, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

By _____
Secretary

EXHIBIT A

“To improve local neighborhood schools, fix leaky, deteriorated roofs, improve fire safety, repair/ upgrade classrooms, improve student safety and security, renovate outdated restrooms, upgrade heating/ventilation/electrical systems for energy efficiency, and computer technology, shall \$139,999,671.60 of Alum Rock Union Elementary School District bonds approved by the voters in June 2008, be reapproved at legal rates to renovate, acquire, construct, repair classrooms, sites, facilities/ equipment, with independent audits, citizens’ oversight, no money for administrators’ salaries and all money controlled locally?”

Bonds - Yes

Bonds – No

EXHIBIT B

FULL TEXT BALLOT PROPOSITION
OF THE ALUM ROCK UNION ELEMENTARY SCHOOL DISTRICT
BOND MEASURE ELECTION JUNE 7, 2016

“To improve local neighborhood schools, fix leaky, deteriorated roofs, improve fire safety, repair /upgrade classrooms, improve student safety and security, renovate outdated restrooms, upgrade heating/ventilation/electrical systems for energy efficiency, and computer technology, shall \$139,999,671.60 of Alum Rock Union Elementary School District bonds approved by the voters in June 2008, be reapproved at legal rates to renovate, acquire, construct, repair classrooms, sites, facilities/ equipment, with independent audits, citizens’ oversight, no money for administrators’ salaries and all money controlled locally?”

SCHOOLS PROJECT LIST

The Board of Trustees of the Alum Rock Union Elementary School District evaluated the District’s urgent and critical facility needs, including safety issues, enrollment trends, class size, energy efficiency and computer technology, in developing the scope of projects to be funded. In developing the scope of projects, teachers, staff and community members have prioritized the key health and safety needs so that the most critical facility needs are addressed. The Board conducted a facilities evaluation and received public input and review in developing the scope of facility projects to be funded. This input concluded that if these needs were not addressed now, the problem would only get worse. **In approving this Schools Project List, the Board of Trustees determines that the District MUST:**

- (i) Install and upgrade fire prevention, security and emergency response systems, including safety locks and fencing at school sites so that all students are safe; and**
- (ii) Repair aging schools including leaky roofs and install and upgrade heating, cooling and ventilation systems to make them more energy efficient; and**
- (iii) Maximize its resources through efficient facility and financial management, seek energy and utility cost savings, and only spend any local bond money on projects within the District and shall NOT ALLOW BOND MONIES TO BE TAKEN BY THE State; and**
- (v) Improve instructional technology in classrooms; and**
- (vi) Insist that all schools be healthy and safe from fire dangers, earthquake risks, and hazardous materials, such as asbestos and mold.**

The Schools Project List includes the following types of upgrades and improvements throughout the District:

Renovation, Repair and Upgrade Projects

Goal and Purpose: Many local elementary and middle schools need significant repairs. This measure will fix aging classrooms, bathrooms, and leaky roofs, replace outdated security systems, fire alarms and sprinklers so children can learn in safe, healthy classrooms.

- Modernize or construct classrooms, science labs, and school facilities.
- Replace or repair deteriorating pipes, plumbing and sewer systems and leaky roofs.
- Repair aging classrooms, bathrooms and school buildings.
- Provide improved, up-to-date technology infrastructure.
- Replace old deteriorating portable classrooms.
- Replace or repair outdated heating, ventilation, air-conditioning and electrical systems.
- Upgrade outdated electrical and energy management systems.
- Renovate or expand multi-purpose rooms/ cafeterias to accommodate more students.
- Renovate libraries, construct gyms and upgrade play fields.

Improve Student Safety and Security Projects

Goal and Purpose: The District needs to upgrade elementary and middle school security to keep children and teachers safe. This measure funds upgrades to fire alarms and sprinklers, and up-to-date security systems to prevent intruders from entering campuses and improves security and communication systems for emergency school lockdowns.

- Upgrade perimeter fencing, fire alarms, sprinklers and fire safety systems for improved student safety.
- Upgrade emergency communication and closed circuit security systems to improve student and staff safety.
- Improve or provide access for students or teachers with disabilities.
- Retrofit schools to meet earthquake safety standards.
- Improve safety at student pick-up and drop-off areas.
- Replace outdated portable classrooms.

District-Wide Instructional Technology and Wiring Projects To Provide a 21st Century Education

Goal and Purpose: This measure will ensure that all students get access to computers and the instructional technology in the classroom they need. It will fix outdated electrical wiring, improve science and computer labs and improve access to computers.

- Provide instructional technology for students.

- Upgrade electrical wiring and classroom technology.
- Upgrade computer and science labs.
- Construct science, technology, engineering and math classrooms.

* * *

The listed projects will be completed as needed. Each project is assumed to include its share of furniture, equipment, architectural, engineering, and similar planning costs, program management, staff training expenses and a customary contingency, and escalation for unforeseen design and construction costs. In addition to the listed projects stated above, the Schools Project List also includes the payment of the costs of preparation of all facility planning, facility assessment reviews and master plans, environmental studies, construction documentation, inspection and permit fees, and temporary housing of dislocated District activities caused by bond projects, as well as the refinancing of outstanding lease obligations. The upgrading of technology infrastructure includes, but is not limited to, servers, switches, routers, modules, computers, district-wide computer labs upgrades, smart boards, cameras, sound projection systems, wiring every classroom for internet connectivity, wireless networks, wireless access points and controllers, portable interface devices, mobile device management systems, printers, upgraded voice-over-IP, phone systems, call manager and network security/firewall, and other miscellaneous equipment. The repair and improvement of school facilities includes constructing, upgrading, repairing or installing of school site parking, campus accessibility, utilities, playground equipment, hard court surfaces, general site paving, learning walls, tack boards, cabinets, tutoring rooms, restrooms, indoor and outdoor lighting, water heaters, boilers, walkway covers and casework, signage, fire sensors, outdated heating and air conditioning systems, multipurpose rooms used for after-school programs, assemblies, sports, performing arts and serving meals, playgrounds, play fields including turf, food service facilities, enlarge, upgrade or build multipurpose rooms, media/library centers, kitchens and lunch shelters, site classrooms and administration buildings, staff lounges; construct or upgrade child care facilities; reconfigure parking lots and drop off/pick up zones to improve student safety; upgrade electrical wiring; renovate and paint interior and exterior building surfaces to extend their useful life; improve security, install safety and communication systems and equipment, windows and floor coverings (including tiles and carpeting); build or upgrade irrigation systems; make improvements and acquire furnishings and/or other electronic equipment and systems. The allocation of bond proceeds may be affected by the District's receipt of State matching funds and the final costs of each project. The budget for each project is an estimate and may be affected by factors beyond the District's control. Some projects throughout the District may be undertaken as joint use projects in cooperation with other local public or non-profit agencies. The final cost of each project will be determined as plans are finalized, construction bids are awarded and projects are completed. Based on the final costs of each project, certain of the projects described above may be delayed or may not be completed. Demolition of existing facilities and reconstruction of facilities scheduled for repair and upgrade may occur, if the Board determines that such an approach would be more cost-effective in creating enhanced and operationally efficient campuses. Necessary site preparation/restoration and landscaping, may occur in connection with new construction, renovation or remodeling, or installation or removal of relocatable classrooms, including ingress and egress, removing, replacing, or installing irrigation, utility lines, trees and landscaping, redirecting fire access, and acquiring any necessary easements, licenses, or rights of way to the property.

Bond proceeds shall be expended only for the specific purposes identified herein. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to the bond projects. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

CANCEL MEASURE G. District voters previously approved Measure G at an election held in the District on June 3, 2008. However, due to State law limitations imposed on the issuance of bonds under Measure G, the District estimates that it will be unable to issue any additional Measure G bonds in the immediate future. The Board of Trustees of the District has found and determined that there continues to be an urgent need in the District for the completion of the educational projects approved by the District voters under Measure G, and that no other District resources are available to finance such projects. If the bonds are approved and issued, the Board of Trustees of the District has covenanted that it will cancel and shall not authorize the issuance of Measure G bonds in a like amount.

FISCAL ACCOUNTABILITY. IN ACCORDANCE WITH EDUCATION CODE SECTION 15272, THE BOARD OF TRUSTEES WILL APPOINT A CITIZENS' OVERSIGHT COMMITTEE AND CONDUCT ANNUAL INDEPENDENT AUDITS TO ASSURE THAT FUNDS ARE SPENT ONLY ON DISTRICT PROJECTS AND FOR NO OTHER PURPOSE. THE EXPENDITURE OF BOND MONEY ON THESE PROJECTS IS SUBJECT TO STRINGENT FINANCIAL ACCOUNTABILITY REQUIREMENTS. BY LAW, PERFORMANCE AND FINANCIAL AUDITS WILL BE PERFORMED ANNUALLY, AND ALL BOND EXPENDITURES WILL BE MONITORED BY AN INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE TO ENSURE THAT FUNDS ARE SPENT AS PROMISED AND SPECIFIED. THE CITIZENS' OVERSIGHT COMMITTEE MUST INCLUDE, AMONG OTHERS, REPRESENTATION OF A BONA FIDE TAXPAYERS ASSOCIATION, A BUSINESS ORGANIZATION AND A SENIOR CITIZENS ORGANIZATION. NO DISTRICT EMPLOYEES OR VENDORS ARE ALLOWED TO SERVE ON THE CITIZENS' OVERSIGHT COMMITTEE.

NO ADMINISTRATOR SALARIES. PROCEEDS FROM THE SALE OF THE BONDS AUTHORIZED BY THIS PROPOSITION SHALL BE USED ONLY FOR THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, REHABILITATION, OR REPLACEMENT OF SCHOOL FACILITIES, INCLUDING THE FURNISHING AND EQUIPPING OF SCHOOL FACILITIES, AND NOT FOR ANY OTHER PURPOSE, INCLUDING TEACHER AND SCHOOL ADMINISTRATOR SALARIES AND OTHER OPERATING EXPENSES.