



BOND OVERSIGHT COMMITTEE WORKBOOK

Meeting April 28, 2015



www.HoustonISD.org/Bond

Bond Oversight Committee Meeting
April 28, 2015 | 8:30 a.m.

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It is the policy of the Houston Independent School District not to discriminate on the basis of age, color, handicap or disability, ancestry, national origin, marital status, race, religion, sex, veteran status, political affiliation, sexual orientation, gender identity and/or gender expression in its educational or employment programs and activities.

Welcome

COMMITTEE MEMBERS

Michael G. Davis

Martin Debrovner

Jessica Diaz

Robert M. Eury

D.V. “Sonny” Flores

Craig Johnson

David Quan

Phoebe Tudor

Gary J. White



Bond Program Oversight Committee Charter

Revised December 14, 2012

BACKGROUND

The Declaration of Beliefs and Visions for the Houston Independent School District (“HISD”, the “District”) states the primary goal of HISD is to increase student achievement. The District’s Bond Programs impact the following additional goals that exist to support the primary goal:

- **Goal 3: Provide a Safe Environment** — The District shall create a safe environment conducive to learning for all students and provide safety and security measures at District schools and facilities, and while attending District-related events.
- **Goal 4: Increase Management Effectiveness and Efficiency** — The District shall have a decentralized organizational structure that will promote autonomy and innovation in schools. With a districtwide commitment to performance over compliance and a shared accountability system in place, the District shall employ best practices of administrative principles to make optimal use of District resources and taxpayer dollars.
- **Goal 5: Improve Public Support and Confidence in Schools** — The schools belong to the people; hence, the board, administration, and support staff are public servants who exist to support the schools and the relationship between teachers, students, and parents. Public confidence will increase as the District increases transparency, accountability at all levels, and meaningful engagement of the community.
- **Goal 6: Create a Positive District Culture** — The District’s clearly articulated purpose will serve as the catalyst for creating a powerful sense of community and a shared direction among personnel, parents, students, and the public. Because the District realizes the value of investing in human capital, the District will work to attract and retain the best teachers and staff members, and create working conditions in which their talents can flourish.

The Bond Program Oversight Committee (“Committee”) plays a critical, strategic role in assisting the District while completing these goals.

PURPOSE OF CHARTER

The Board of Education (“Board”) for the District desires to make continual improvements to existing programs. As a result, the Bond Program Oversight Committee Charter (“Charter”) is adopted to explain the mission, purpose, structure, membership, duties, responsibilities, and expectations. This Charter supersedes the previously adopted charter dated August 30, 2010.

COMMITTEE MISSION

The HISD Board, in response to community interest in the effective and efficient use of bond proceeds, has established a mechanism to encourage greater accountability, transparency, public support, and confidence by creating the Committee. The Committee is an independent citizens’ Committee that is responsible to the Superintendent, Board, and general public (in that order).

The Committee’s charge is to monitor all applicable Bond funded construction projects and help interested Houstonians to stay informed about new construction and renovation projects in the District. Its purpose is to monitor performance and compliance in order to confirm that HISD implements Bond Program work in conformance with the program approved by the Board and make recommendations to maximize available resources to achieve construction goals in the most effective and cost efficient manner. Its focus should be oversight rather than limited to hindsight.

COMMITTEE STRUCTURE AND MEMBERSHIP

- a) The Committee has up to nine voting members, including a Chairperson and Vice Chairperson, who are appointed by the Superintendent. Formal action from the Committee requires a majority vote of the quorum present. Individual members of the Committee shall not exercise authority for the Committee as a whole and shall not act independently of the Committee. Written applications will be reviewed by members of the District's Executive Leadership team for each applicant's experiences and qualifications. The Executive Leadership team will submit recommendations to the Superintendent for approval and appointment to the Committee.
- b) Appointments will be staggered for one year and two year terms. Terms may be extended for additional one or two year terms upon approval by the Superintendent.
- c) The Committee will approve meeting minutes, review and approve the reasonableness of reports from the District, and approve the issuance of status reports and other communications from the Committee.
- d) All meetings will be open to the general public.
- e) Membership on the Committee shall consist of interested persons from the following groups who can remain objective and independent with the District's best interest at heart:
 - 1. Special preference for members with expertise or knowledge in the areas of building design/engineering, construction, construction project management, and/or finance.
 - 2. Members active in a business organization representing the business community located in the District.
 - 3. Members who are parents or guardians of a child enrolled in the District and also active in a parent-teacher organization.
 - 4. Members of the community at-large.
- f) The Committee members receive no direct or indirect compensation from the District for their services as members of the Committee.
- g) The Committee members may not have an active contract or be seeking a contract with the District or with any contractor or sub-contractors associated with the Bond Programs.
- h) The Committee may not include any employee or official of the District, or any vendor, contractor or consultant of the District.
- i) A Committee member serves the general interest of the public as opposed to any personal interest or special interest group.
- j) If a Committee member moves outside of the District's geographic boundaries, resigns, violates the Ethics Policy contained herein, fails to attend two consecutive Committee meetings without reasonable excuse, or otherwise becomes unable to serve on the Committee, the Superintendent may declare the position on the Committee to be vacant and appoint another qualified person to the Committee.

COMMITTEE DUTIES AND RESPONSIBILITIES

The Committee shall inform the Superintendent, Board, and general public (in that order) concerning the District's overall project management of all Bond Programs, including but not limited to:

- a) Review periodic reports produced by the District to verify effective and efficient use of bond proceeds and compliance with the purposes set forth in the Bond Programs as approved by the Board. See reports issued by the District in the "District Duties and Responsibilities" section below.
- b) Ensure that bond revenues are expended for the purpose set forth in the Bond Programs as approved by the Board of Education, and that any deferred proposals or plans where considered necessary are appropriate.
- c) Validate that no bond funds are used for any teacher or administrative salaries or other school operating expense, other than administrative salaries whose primary purpose is to manage the District's Bond Programs.
- d) Review efforts by the District to maximize bond revenues by balancing best value, quality, and efficiency in meeting the District's goals and priorities.
- e) Evaluate risks and related controls associated with the District's Bond Programs, determine focus areas and strategic approach to review, and communicate any findings and recommendations for improvement via a periodic independent report to the Superintendent, Board, and general public. To maximize these efforts, the Committee may recommend the performance of specific audit projects based on its risk assessments and communications to the Board Audit Committee and HISD Office of Inspector General.
- f) Coordinate with the Superintendent's designee to visit District facilities and grounds for which bond proceeds have been or will be expended, in accordance with any necessary access procedures.
- g) Review copies of other bond reports published by the District.
- h) Review any performance audits of the District's Bond Programs to ensure the District is taking appropriate action to remediate any deficiencies identified in such reports.
- i) Review operational audits conducted by the HISD Office of Inspector General to ensure the adequacy of scope, management action plans, and remediation efforts of the District.
- j) Review any financial audits of the District's Bond Programs to ensure the District is taking appropriate action to remediate any deficiencies identified in such reports.
- k) Provide periodic status reports and an annual report regarding the results of its activities, in addition to any Committee findings, recommendations, and management action plans, to the Superintendent and Board. These reports should include the Committee's opinion regarding the District's remediation efforts for any recommendations included in the performance audits, operational audits, or financial audits mentioned above and will be made available to the general public by inclusion on the District's website and other communication avenues.
- l) Perform other reasonable duties requested by the Superintendent.
- m) Disclose and sign an annual conflict of interest statement for existing conflicts and re-submit if any conflicts arise during a Committee member's tenure.

- n) Any perceived allegation of wrongdoing; potential waste, fraud, misuse or abuse; or non-compliance with Local, State, Federal laws/regulations, or District policies that becomes known to the Committee shall be communicated to the Superintendent, who shall refer such matters to the Board, Ethics and Compliance Officer, Office of Inspector General, and outside legal counsel where appropriate.

The Committee provides counsel and input to the administration and the Board, but it does not have management or policy-setting responsibilities. Also, the Committee does not have a fiduciary responsibility to the District or Board, nor are its members personally liable to the District or Board. The Committee is not responsible for:

- a) Approval of construction contracts or change orders;
- b) Appropriation of construction funds;
- c) Handling of legal matters;
- d) Approval of construction plans and schedules;
- e) Approval of the District's maintenance plan;
- f) Approval of the sale of bonds;
- g) Establishment of priorities and order of construction for the bond projects;
- h) Selection of architects, engineers, construction managers, project managers, and such other professional service firms;
- i) Approval of the design for each project including exterior materials, paint color, interior finishes, site plan and construction means or methods;
- j) Selection of independent audit firm(s), performance audit consultants and such other consultants as are necessary to support the performance of the Bond Programs;
- k) Setting or approving schedules of design and construction activities;
- l) Investigations of alleged wrongdoing; potential waste, fraud, misuse or abuse; or non-compliance with Local, State, Federal laws/regulations, or District policies.
- m) Directing the activities of staff or consultants; or
- n) Activities, roles or responsibilities that have been delegated to staff or consultants by the Superintendent or his designee.

COMMITTEE MEETINGS

- a) The Committee shall meet at least quarterly to review the District's Bond Program's status and related information, and to perform other duties as provided herein. The Superintendent, Chairperson, or Vice Chairperson may convene additional meetings, if necessary.
- b) All Committee meetings shall be held within the District's geographic boundaries.
- c) Minutes will be prepared by a representative of the District and will be distributed to the Committee within 15 business days. The minutes will be voted upon for the record at the next scheduled Committee meeting.

DISTRICT DUTIES AND RESPONSIBILITIES

- a) The Chief Operating Officer shall act as the Superintendent's designee to the Committee.
- b) The Superintendent or his designee shall oversee management's action plan to respond to any written report from the Committee with findings or suggestions for improvement within 15 business days. All recommendations and management action plans from inception to date will be tracked and made available to the Committee and Board. The District's website and other communication avenues will also publicize the Committee's report and management's action plan for use by the general public.
- c) The District shall have a commitment to the Committee, provide open communication, and provide necessary technical and administrative assistance in a timely fashion as follows:
 - 1. Provision of a meeting room, including any necessary audio/visual equipment;
 - 2. Preparation and copies of any documentary meeting materials, such as agendas and reports; and distribution of those materials to the Committee in a timely manner;
 - 3. Provision of a quarterly summary progress report covering the Bond Programs;
 - 4. Access to other information to effectively perform its oversight function.
 - 5. Retention of all Committee meeting records, and providing public access to such records on the District's website; and
 - 6. Notify the public of Committee meeting times and locations. The meetings are open to the public.
- d) Summary progress reports will communicate and provide an explanation for the following attributes in a clear concise manner. As part of reporting, HISD will identify projects that experience a significant impact to schedule, budget, or scope of work. Detail reports can be provided upon the Committee's request.
 - 1. Project schedules with anticipated completion dates and current status.
 - 2. Project scope
 - 3. Contingency report (change allowance, encumbrances, and available budget)
 - 4. Expenditure reports
 - 5. Status of Minority/or Woman Owned Business Enterprise (M/WBE)
- e) The appropriate District staff, District consultants, and/or designees shall attend all Committee proceedings in order to provide a status update for their area of responsibility as it relates to the Bond Programs and answer any questions from Committee members.
- f) The Office of Inspector General will consider the input and specific audit requests of the Committee and HISD management during its development of the Annual Audit Plan. Audit projects conducted by the Office of Inspector General will be completed by the issuance of a formal audit report, which will be provided to the Board Audit Committee and made available to the Committee. Such reports will be publicized on the District's website for use by the general public.

- g) The District acknowledges that the Committee may request certain information that is sensitive or legally privileged. The District will use the counsel of its legal advisor to comply with such requests within the limits of Texas law and the best interest of the District.

ETHICS POLICY

This Ethics Policy provides general guidelines for Committee members to follow in carrying out their roles. Not all ethical issues that Committee members face are covered in this Policy. However, this Policy captures some of the critical areas that help define ethical and professional conduct for Committee members. The provisions of this Policy were developed from existing laws, rules, policies and procedures as well as from concepts that define generally accepted good business practices. Committee members are expected to strictly adhere to the provisions of this Ethics Policy.

POLICY

CONFLICT OF INTEREST. A Committee member shall not make or influence a District decision related to: (1) any contract funded by bond proceeds or (2) any construction project that will benefit the Committee member's outside employment, business, or provide a financial benefit to the Committee member or a family member, such as a spouse, child, parent, or sibling.

OUTSIDE EMPLOYMENT. A Committee member shall not use his or her authority over a particular matter to negotiate future employment with any person or organization that relates to: (1) any contract funded by bond proceeds; or (2) any construction project. A Committee member shall not make or influence a District decision related to any construction project involving the interest of a person with whom the member has an agreement concerning current or future employment, or remuneration of any kind. For a period of one (1) year after leaving the Committee, a former Committee member may not represent any person or organization for compensation in connection with any matter pending before the District that, as a Committee member, he or she participated in personally and substantially.

COMMITMENT TO UPHOLD LAW. A Committee member shall uphold the federal and Texas Constitutions, the laws and regulations of the United States and the State of Texas, and the policies, procedures, rules and regulations of the Houston Independent School District.

COMMITMENT TO DISTRICT. A Committee member shall place the interests of the District above any personal or business interest of the member.

MEMBER CERTIFICATION. A Committee member shall certify his or her understanding of Committee's Ethics Policy and disclose and sign an annual conflict of interest statement for existing conflicts and re-submit if any conflicts arise during their tenure.



Executive Summary

EXECUTIVE SUMMARY

The first quarter of 2015 saw construction getting underway at most Group 1 schools and planning completed for schools in Groups 3 and 4. Group 2 schools made design progress, and some have scheduled their second round of community meetings.

HISD administrators and project managers have briefed each school's Project Advisory Team on budget issues that may have an impact on their design and construction schedule. Communications is working closely with the team to ensure stakeholders are updated with relevant information as it becomes finalized and available.

Throughout construction, firms have committed to implementing strict safety procedures and to minimizing the impact on students and the community. Both physical and visual barriers will be erected around construction sites, and workers will not have any interaction with students or staff. Contractors must comply with Senate Bill 9 requirements and badge all workers at the site.

In conjunction with construction getting underway, the first quarter brought additional bid opportunities and deadlines for subcontractors. The Supplier Diversity and Communications teams provided support in publicizing these opportunities to M/WBEs through pre-bid meetings led by CMARs and through web articles and emails. Additional bid packages will be released by CMARs as additional projects come online in 2015.



Demolition around Booker T. Washington High School got underway in the first quarter to make room for the new school.

PROJECT HIGHLIGHTS

Sharpstown High School

Sharpstown High School students, staff and alumni were joined by elected officials and business representatives on Feb. 7 for a groundbreaking ceremony for the school's new 21st century campus. Houston City Councilmember Michael Laster and State Reps. Borris Miles and Gene Wu gave remarks at the event, and the school was presented with a special proclamation from the State of Texas. Designed to have a collegiate feel, the new \$55 million facility will feature a two-story, light-filled atrium, classrooms equipped with modern technology grouped into neighborhoods, flexible learning spaces, a large dining commons, gymnasium, JROTC building and fine arts wing. The new facility, which will accommodate 1,500 students, will be built adjacent to the existing structure. Students will remain in the current building during construction, which is expected to take about 20 months to complete.

Washington High School

Demolition is underway after extensive asbestos abatement in the nearly 16 acres of properties adjacent to the school that was acquired by the district as part of the plan to nearly double the size of the campus. Several of the houses were brought down in the first quarter, and more are set to follow as part of the demolition phase of construction, which is expected to last four to six more weeks. The new campus, which will accommodate up to 1,300 students, will showcase the school's engineering program with 21st century technology and flexible learning spaces to support project-based learning and encourage collaboration.

High School for Law and Justice

In February, HISD completed the purchase of property near downtown at Scott and Coyle streets, which will become the campus for the new High School for Law and Justice. The school's new three-story building will combine a 21st century learning environment with unique features – including a courtroom, a crime scene investigations lab, an emergency communications center, and a law library. The property is centrally located near the Houston Police Department's South Central Station, the University of Houston, and Texas Southern University – with easy access to the freeway, rail, and bike trails. The property will be cleared for construction in the coming months. As part of this phase, the structures will be secured, an environmental assessment to identify hazardous materials will be conducted, asbestos will be abated (if needed) and utilities disconnected, and the buildings finally will come down – a process expected to take about 12 weeks. Construction is expected to begin in late summer and last about 20 months, allowing for students to attend classes in the new building in January 2017.

2012 BOND PROGRAM KEY FACTS

- \$1.89 billion in bond funding
- 40 schools to be built or renovated by 2020
- Middle school restroom renovations underway
- Design meetings starting for Groups 3 & 4 schools
- Real estate acquisitions underway



Construction activity around Sterling High School picked up in the first quarter, with drilled foundation piers at 95% completion and a complete building pad awaiting concrete to be poured in the coming weeks.

Sterling High School

The building site at Sterling High School is buzzing with activity these days as construction is progressing on the school's new 21st century building. As of the first quarter, the drilled foundation piers are 95% complete; the underground electrical, plumbing, storm and sanitary sewer installation is in progress; and the building pad is complete and ready for concrete to be poured in the coming weeks. The school is designed to emphasize Sterling's aviation program and will prominently feature an airplane hangar as its centerpiece. Designed to accommodate 1,600 to 1,800 students and support the latest technology, the campus will also include state-of-the-art science labs, numerous learning commons areas, and flexible classroom spaces. The project is on track to be complete by the end of 2016, which allows for move-in to take place over winter break, and for students to attend classes in the new building in January 2017. Demolition of the existing building, along with construction of athletics fields and parking lots will be completed in the third quarter of 2017.

Delmar Fieldhouse

Workers poured the concrete slab in preparation for the project to go vertical this spring. Since construction began last fall, workers have been laying necessary groundwork including installing underground electrical and plumbing lines, and preparing concrete piers and grade beams. One small crane is currently on the site to offload steel beams for the project, but a much larger crane will be delivered in the coming weeks that will be used to erect the structural steel. Steel erection is expected to take about five months. The project team is also finalizing the graphic designs for the portable arena flooring and the color palette of the arena seating area.

DISTRICTWIDE UPGRADES

Middle School Restrooms:

1. Phase I – JOC (Attucks, Deady, Fonville, Johnston, Key, McReynolds, Pershing, Westbriar and Henry) (Expedited included in Phase II JOC scope): In progress of completing installation of partitions, soap and toilet-paper dispensers to close out the project.
2. Phase II – JOC (Johnston, Pershing, Westbriar, Deady): Demolition is completed and construction is underway. Schedule is 120 days for construction; completion date is end of June 2015.
3. CSP Group 1 – Bid package 2 & 3: CSP contract with Prime Construction, Inc., is under finalization; 3 campuses (Johnston, Pershing and Key awaiting notarized cost detail from CSP contractor).
4. CSP Group 2 – Pkg 5,6, 7 and Group 3 – Pkg 4, 8, 9: 100% drawings received (exception still waiting on AE Courtney Harper to provide drawings on Long, Fleming, Pin Oak); AE notified to submit to COH for permitting. Need to identify where asbestos letters, reports & specs are.

Safety and Security: Continued replacement of CCTV devices with the focus on Priority 1- Fire Alarm Systems. Priority 1 – Fire Alarm systems include a variety of items to correct deficiencies that are pertinent to code compliance. This scope of work will be under the direction of HISD Facilities.

Technology: The 2012 bond allocated funding for network improvements and wireless expansion. The scope of this work includes the addition of wireless access points, cabling and other infrastructure equipment such as network switches. Since January 2015, Briarmeadow Middle School, T.H. Rogers School, Lanier Middle School and Pershing Middle School have been completed. A number of schools are nearing completion with a target of this summer: Johnston Middle School, Briargrove Elementary School, Ashford Elementary School Garden Oaks Elementary School, Red Elementary School, and Reagan K-8.

The next group of schools in progress and scheduled for network improvements and wireless expansion are Bush Elementary School, Harvard Elementary School, Herod Elementary School, Horn Elementary School, Kolter Elementary School, Longfellow Elementary School, Lovett Elementary School, MacGregor Elementary School, Neff Elementary School, Poe Elementary School, Ray K. Daily Elementary School, River Oaks Elementary School, School at St. George Place, Sinclair Elementary School, Travis Elementary School, Twain Elementary School, and West University Elementary School. Following network improvements and wireless expansion activities, work will begin on VOIP expansion.

REAL ESTATE PURCHASES

The Real Estate Department is currently purchasing 21 individual properties, including residential, commercial and retail properties, for expansion of current school sites and new school sites as an integral part of the 2012 Bond Program. These properties total about 6 acres and will be utilized for expansion of the school sites at Jefferson Davis High School, as well as expansion of the new school site for Mark White Elementary School. These acquisitions are currently underway and are expected to be completed during the second quarter of 2015. In addition, the department is negotiating contracts



HISD's Office of Business Assistance participates in workshops and meetings each quarter which provide great networking opportunities to M/WBEs.

for the sale of one surplus school site and has two others under contract for sale. Real Estate is currently marketing 10 surplus properties for sale and is fielding about 20 inquiries regarding these surplus HISD properties each week. Additionally, Real Estate is currently working on development of a centralized database of all HISD properties.

M/WBE NETWORKING ACTIVITIES

The Office of Business Assistance held and participated in multiple programs to promote HISD business and bid opportunities during the first quarter. The Supplier Diversity team sponsored three Workshop Wednesday meetings, which are held monthly to provide information to M/WBEs on topics of interest; first quarter workshops featured: Expensive Tax Mistakes That Cost Business Owners Thousands, Being M/WBE Certified Brings Success, and Small Business Finance 101. The team continues to promote bid opportunities and effectively respond to M/WBE email and telephone inquiries. The contact list has grown to over 2,000 names of minority companies that are interested in doing business with the district; this group receives frequent notices of upcoming business opportunities, networking events and pre-bid construction meetings.

PROJECT ADVISORY TEAMS

Project Advisory Teams for all schools are in full swing and continue to meet monthly throughout all phases of the project. During the first quarter, 101 PAT meetings were held.



Leland College Prep held its third community meeting with more than 125 in attendance. The school also is planning for its groundbreaking ceremony on April 16.

COMMUNITY ENGAGEMENT

The bond communications team has been working with Project Advisory Teams to proactively address community relations issues and communications needs that are impacting each project school. The communications team, working with principals and project managers to determine the best ways to communicate updates to stakeholders and provide updates as soon as information becomes finalized and available, has put together parent update letters for Condit, Lee, Furr, Askew, Lamar, Mandarin Immersion and HSLECJ. Also in the first quarter, Leland College Prep held a community meeting with over 125 in attendance and has been working to plan a groundbreaking ceremony scheduled for April 16.

PAT members from schools in Groups 1 and 2 attended State of the Schools luncheon in February, where they chatted with attendees who viewed architectural renderings and answered questions about their projects. The team continues to grow its subscriber list to its award-winning monthly bond eNewsletter, Building Excellence, also monitoring incoming questions at Bond@HoustonISD.org. To ensure that all interested parties have access to information on PAT activities, the website is regularly updated with both meeting schedules, meeting minutes, and a blog story about the meeting.



Project Update Report

FACILITIES CAPITAL PROGRAM

HISD CAPITAL IMPROVEMENT PROGRAM — 2012 Facilities Capital Program — Page 1 of 1

Project	Scope of Work	Proposed Project Budget
High Schools:		\$
Austin High School	New facility preserving the architecturally significant building structure for a campus accommodating 1,800 – 2,000 students.	68,429,000
Bellaire High School	New 2,800 – 3,100 student school that will incorporate the recently completed science classroom and laboratory wing.	106,724,000
Davis High School	New facility preserving the architecturally significant building structure for a campus accommodating 1,500 – 1,700 students.	46,764,000
DeBaKey High School	New 900 – 1,000 student health professions school.	64,512,000
Eastwood Academy	New facility that will incorporate the new 2 story classroom wing for a campus accommodating 500 students.	10,875,000
Furr High School	New 1,100 – 1,300 student school.	55,100,000
Houston High School	New 2,550 – 2,750 student school that will incorporate the new science classroom and laboratory wing.	101,428,000
HSPVA	New 750 student performing and visual arts school.	80,178,000
Jones High School	Renovations to existing school facilities.	1,125,000
Jordan High School	New 600 – 800 student school.	36,693,000
Kashmere High School	Renovations to existing school facilities and site improvements.	17,000,000
Lamar High School	New facility preserving the architecturally significant building structure for a campus accommodating 2,800 – 3,100 students.	107,974,000
Lee High School	New 1,700 – 1,900 student school.	73,801,000
Madison High School	New 1,900 – 2,100 student school that will incorporate recent science and classroom building renovations.	82,736,000
Milby High school	New facility preserving the architecturally significant building structure for a campus accommodating 1,800 – 2,000 students.	68,810,000
North Early College	New 400 student early college school.	13,500,000
Scarborough High School	Renovations to existing school facilities and site improvements.	12,566,000
Sharpstown High School	New 1,300 – 1,500 student school.	54,944,000
Sharpstown International High School	Renovations to existing school facilities and site improvements.	6,125,000
South Early College	New 400 student early college school.	13,500,000
Sterling High School	New 1,600 – 1,800 student school.	72,304,000
Waltrip High School	Partial replacement and general renovations to accommodate 1,800 – 2,000 students.	30,115,000
Washington High School	New 1,100 – 1,300 student school.	51,732,000
Westbury High School	Partial replacement and general renovations to accommodate 2,300 – 2,500 students.	40,006,000
Worthing High School	New facility that will incorporate the new 2 story classroom wing for a campus accommodating 1,100 – 1,300 students.	30,180,000
Yates High School	New 1,300 – 1,500 student school.	59,481,000
Young Men's College Prep.	Partial replacement and general renovations to complement portions of the Howard Payne Carter Career Center for a campus accommodating 900 – 1,000 students.	28,675,000
Young Women's College Prep.	Partial replacement and general renovations for a campus accommodating 900 – 1,000 students.	27,159,000
	High School Subtotal	\$1,362,436,000
Middle Schools:		
Dowling Middle School	New 1,300 – 1,500 student school.	59,125,000
Grady Middle School	New addition to complete multi-phase master plan for the campus.	14,825,000
	Middle School Subtotal	\$73,950,000
K-8s:		
Garden Oaks Montessori K-8 School	New addition and general renovations of the existing facilities accommodating 750 – 900 students.	26,678,000
Mandarin Chinese Language Immersion School at Gordon K-8	New 750 – 900 student school.	32,161,000
Pilgrim Academy K-8	New addition for a campus accommodating 750 – 900 students.	7,989,000
Wharton Dual Language School K-8	New addition and general renovations of the existing facilities accommodating 750 – 900 students.	35,603,000
Wilson Montessori School K-8	New addition and general renovations of the existing facilities accommodating 750 – 900 students.	18,914,000
	K-8 Subtotal	\$121,345,000
Elementary Schools:		
Askew Elementary School	850 student new school — replacement.	26,632,000
Parker Elementary School	850 student new school — replacement.	29,485,000
Relief Elementary School	750 student new school to be built in the west Houston area.	23,417,000
	Elementary Subtotal	\$79,534,000
All Schools		\$1,637,265,000
Districtwide Projects:		
District Athletic Improvements	Replacement of regional field house(s) and athletic facility improvements.	44,675,000
District Wide Land Acquisition	Districtwide funds to supplement significant site/parking constraints.	55,767,000
Middle School Restroom Renovation	Districtwide middle school restroom renovations.	35,000,000
Districtwide Technology	Districtwide technology improvements.	100,000,000
Districtwide Safety and Security	Districtwide safety and security improvements.	17,293,000
	Districtwide Total	\$252,735,000
	Grand Total	\$1,890,000,000

1. Funding within this bond for North and South Early College will be combined with funds previously allocated from the 2007 bond for these projects to meet the schools programmatic needs.
2. HSPVA moved to district 8 due to a proposed site for the new school located at 1300 Capital.
3. Program costs allocated to each project budget will be separated into various program budgets to provide better oversight and financial management, at a later date.
4. New schools / replacement projects will undergo a school site specific ed-spec development process and all schools will undergo a scope to budget process.
5. Project budgets include allocations for planning, design, construction, administration, and other related costs.
6. The current allocation for the Young Men's College Preparatory Academy (YMCPA) will allow for a demolition of the EO Smith facility, the addition of a smaller facility, and the renovation of the HP Carter facility for use by the YMCPA. An alternate plan for the project to include the demolition of both the EO Smith and HP Carter facilities and the building of a new school would cost an additional \$13,727,000.
7. Condit ES will be rebuilt and funded from surplus bond funds and/or the sale of real estate.
8. High School for Law Enforcement and Criminal Justice will be rebuilt and funded from surplus bond funds and/or the sale of real estate.

2012 BOND PHASING SCHEDULE

GROUP 1

- Planning and Design — Early / Mid 2013
- Anticipated Construction to Begin — Mid / Late 2014
 - Condit Elementary
 - DeBakey High School
 - Furr High School
 - Grady Middle School
 - HSPVA
 - Lee High School
 - Mandarin Chinese Language Immersion School
 - Milby High School
 - North Early College High School
 - Mark White Elementary School
 - Sharpstown High School
 - South Early College High School
 - Sterling High School
 - Waltrip High School
 - Booker T. Washington High School
 - Worthing High School
 - Young Men's College Prep

GROUP 2

- Planning and Design — Early / Mid 2014
- Anticipated Construction to Begin — Mid / Late 2015
 - Bellaire High School
 - Davis High School
 - Dowling Middle School
 - Eastwood Academy
 - High School for Law Enforcement & Criminal Justice
 - Lamar High School
 - Parker Elementary School
 - Yates High School

GROUP 3

- Planning and Design — Late 2014 / Early 2015*
- Anticipated Construction to Begin — Mid / Late 2016
 - Askew Elementary School
 - Sam Houston High School
 - Jordan High School
 - Young Women's College Prep

GROUP 4

- Planning and Design — Late 2014 / Early 2015*
- Anticipated Construction to Begin — Mid 2017
 - Austin High School
 - Garden Oaks Montessori K – 8 School
 - Jones High School
 - Kashmere High School
 - Madison High School
 - Pilgrim Academy K – 8
 - Scarborough High School
 - Sharpstown International School
 - Westbury High School
 - Wharton Dual Language School K – 8
 - Wilson Montessori School K – 8

*The planning and design schedule has been accelerated to give the district the flexibility to start construction earlier should market conditions warrant. The original schedule had planning and design for Group 3 in Early / Mid 2015 and for Group 4 in Late 2015 / Early 2016.



Project Update Report — Group 1

Traffic Light Summary



Green light indicates the project is on schedule, on budget, and there are no pending issues of concern.

Yellow light indicates a project may have budget or schedule concerns, and there are issues that bear additional monitoring.

Red light indicates a project has significant budget and/or schedule concerns, and there are issues to be addressed.

YELLOW LIGHT SUMMARY REPORT

MARK WHITE ELEMENTARY SCHOOL

- Permit for the early roadway and site storm sewer is targeted for late March.
- Building foundation pad and underground utilities early package was cancelled due to cancelled HISD JOC vendor contracts. These will be bid with main building scheduled to issue to contractors for pricing in mid-April

DOWLING MIDDLE SCHOOL

To resolve lingering budget pressure, the basic design scheme is being re-evaluated. The educational specification is currently under review to better align it with district standards.

RED LIGHT SUMMARY REPORT

FURR HIGH SCHOOL

HIGH SCHOOL FOR THE PERFORMING & VISUAL ARTS (HSPVA)

The district has been unable to agree on a Guaranteed Maximum Price with the General Contractor despite lengthy discussions. These discussions are part of the scope-to-budget process, and the district has exercised its option under the contract to terminate negotiations in the event the CMAR is unable to provide an acceptable GMP proposal.



KEY FACTS

Budget
\$24,293,919

Trustee
Michael L. Lunceford

Location
7000 South 3rd

CONDIT ELEMENTARY

Condit Elementary School, originally built in 1909, moved to its current facility in Bellaire in 1914, with an addition built in 1927. The pre-K – 5 campus is a Vanguard neighborhood school.

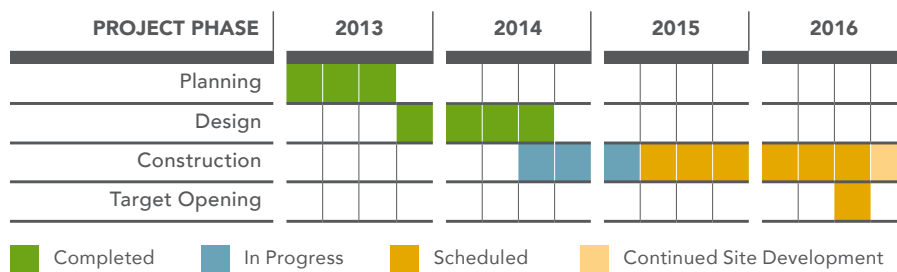
SCOPE OF WORK

New elementary school for 750 students.

PROJECT STATUS


Contractor is currently clearing the site, working underground utilities and the building pad.

TARGET SCHEDULE



Condit Elementary – continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-130	Condit Elementary	\$24,293,919
	Planning and Design Start		Construction Start
	Early/Mid 2013		Mid/Late 2014
	Phase		% of Phase
	Construction		5%
Project Team			
HISD Manager		Sizwe Lewis	
Architect		VLK Architects	
Contractor		DivisionOne Construction	
Program Manager		Heery International, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	✓
Bid & Award	✓
Construction Start	✓
Construction Complete	





KEY FACTS

Budget
\$64,512,000

Trustee
Paula Harris

Location
2160 Herman Pressler
Street

DEBAKEY HIGH SCHOOL

The Michael E. DeBakey High School for Health Professions is dedicated to providing a rigorous and comprehensive pre-college program for students pursuing careers in medicine, health care, and/or the sciences.

The new school will be located in the Texas Medical Center so that students will have access to some of the best facilities in the world.

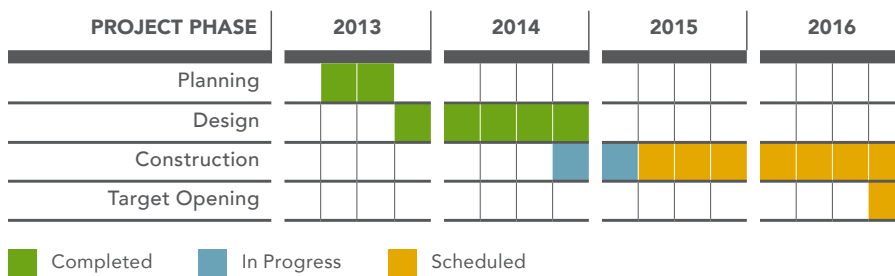
SCOPE OF WORK

New school for 900-1,000 students.

PROJECT STATUS


Demolition of basement is ongoing. Working through special replatting process required for TMC property. Replat application to be submitted during the week of April 6.

TARGET SCHEDULE



DeBakey High School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-026	DeBakey High School	\$64,512,000
	Planning and Design Start		Construction Start
	Early/Mid 2013		Mid/Late 2014
	Phase		% of Phase
	Construction		5%
Project Team			
HISD Manager		Sizwe Lewis	
Architect		WHR Lake-Flato	
Contractor		Tellepsen Builders, L.P.	
Program Manager		Heery International, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	✓
Bid & Award	✓
Construction Start	✓
Construction Complete	





KEY FACTS

Budget
\$55,100,000

Trustee
Juliet K. Stipeche

Location
520 Mercury Dr.

FURR HIGH SCHOOL

Furr High School opened in the fall of 1961 on Houston's east side.

The campus currently includes nine school buildings and 15 temporary buildings.

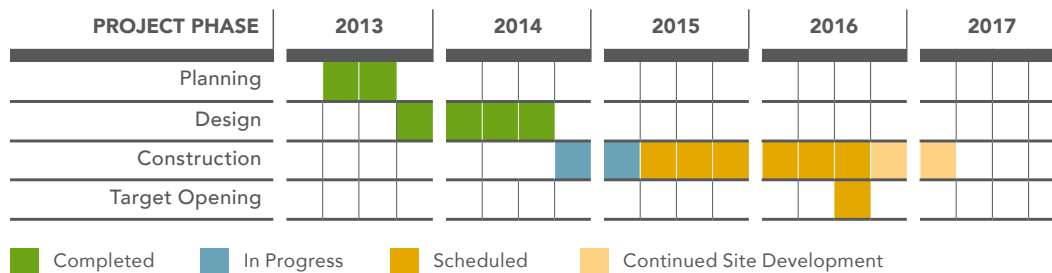
SCOPE OF WORK

New high school to accommodate 1,000 – 1,300 students.

PROJECT STATUS


Evaluation of final GMP modifications; provide recommendation for CMAR delivery method vs. CSP.

TARGET SCHEDULE



Furr High School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-004	Furr High School	\$55,100,000
	Planning and Design Start		Construction Start
	Early/Mid 2013		Mid/Late 2014
	Phase		% of Phase
	Construction		5%
Project Team			
HISD Manager		Matisia Hollingsworth	
Architect		ERO Architects Inc.	
Contractor		KBR Building Group, LLC	
Program Manager		Rice & Gardner Consultants, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	✓
Bid & Award	✓
Construction Start	✓
Construction Complete	





KEY FACTS

Budget
\$14,825,000

Trustee
Harvin C. Moore

Location
5215 San Felipe St.

GRADY MIDDLE SCHOOL

Grady Middle School, located in Houston's Galleria area, was originally built in 1949 and was replaced by a new main school building completed in 2012.

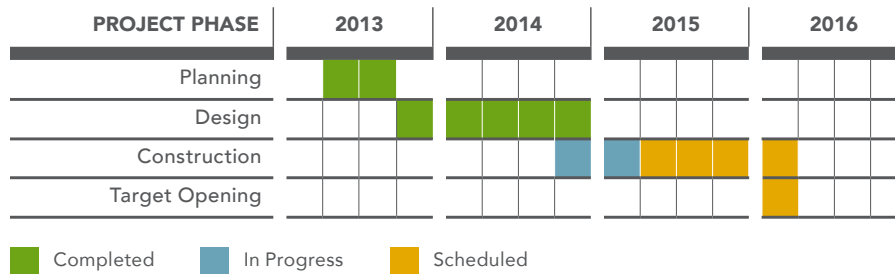
SCOPE OF WORK

New addition to complete multi-phase master plan for the campus.

PROJECT STATUS

Slab preparation in progress. Underground plumbing in progress.

TARGET SCHEDULE



Grady Middle School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-068	Grady Middle School	\$14,825,000
	Planning and Design Start		Construction Start
	Early/Mid 2013		Mid/Late 2014
	Phase		% of Phase
	Construction		12%
Project Team			
HISD Manager		Matisia Hollingsworth	
Architect		Natex Architects Inc.	
Contractor		DivisionOne Construction	
Program Manager		Rice & Gardner Consultants, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	✓
Bid & Award	✓
Construction Start	✓
Construction Complete	



**KEY FACTS**

Budget
\$80,178,000

Trustee
Juliet K. Stipeche

Location
790 Austin

HIGH SCHOOL FOR THE PERFORMING AND VISUAL ARTS (HSPVA)

HSPVA is a Vanguard neighborhood school and a national model for combining arts and academics. The current facility was constructed in 1981.

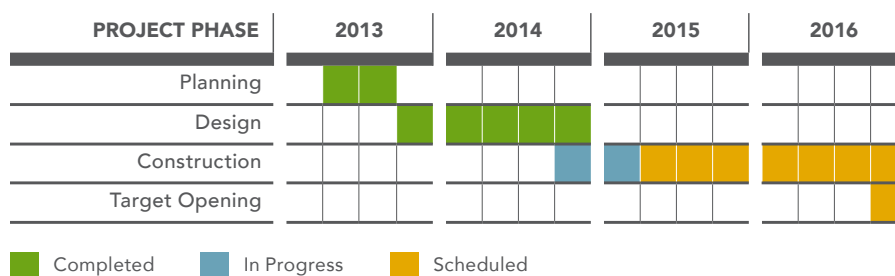
Under the 2012 bond program, a new facility will be built in downtown Houston near other arts and theatrical venues. HISD will take advantage of property already owned by the district on an entire city block that will be used as the new site.

SCOPE OF WORK

New performing and visual arts school to accommodate 750 students.


PROJECT STATUS

Evaluation of final GMP modifications; provide recommendation for CMAR delivery method vs. CSP.

TARGET SCHEDULE

High School for the Performing and Visual Arts — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-025	High School for the Performing and Visual Arts	\$80,178,000
	Planning and Design Start		Construction Start
	Early/Mid 2013		Mid/Late 2014
	Phase		% of Phase
	Construction Documents Construction		95% 5%
Project Team			
HISD Manager		Matisia Hollingsworth	
Architect		Gensler	
Contractor		Cadence McShane Construction, LLC	
Program Manager		Rice & Gardner Consultants, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	
Bid & Award	✓
Construction Start	✓
Construction Complete	



KEY FACTS

Budget
\$73,801,000

Trustee
Harvin C. Moore

Location
6529 Beverly Hill St.

LEE HIGH SCHOOL

Lee High School was originally built in 1962 in west Houston.

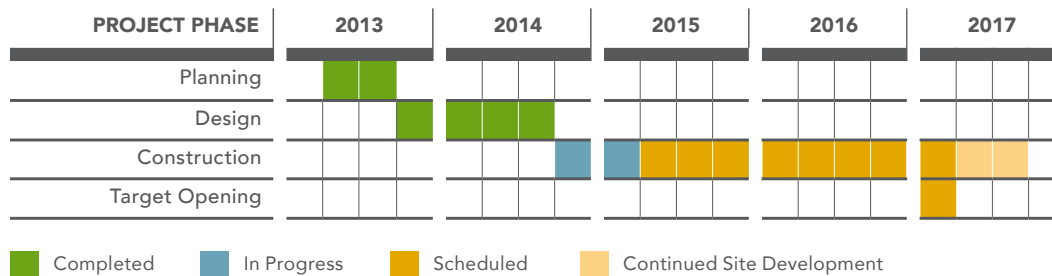
SCOPE OF WORK

New school for 1,700 – 1,900 students.

PROJECT STATUS


Utility disconnects for Hidden Pine apartments. Continued demolition of apartment complex.

TARGET SCHEDULE



Lee High School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-009	Lee High School	\$73,801,000
	Planning and Design Start		Construction Start
	Early/Mid 2013		Mid/Late 2014
	Phase		% of Phase
	Construction Documents Construction		80% 7%
Project Team			
HISD Manager		Meredith Smith	
Architect		WHR Lake-Flato	
Contractor		Satterfield and Pontikes Construction, Inc.	
Program Manager		URS - Skanska	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	
Bid & Award	✓
Construction Start	✓
Construction Complete	



**KEY FACTS**

Budget
\$32,161,000

Trustee
Michael L. Lunceford

Location
5400 block of West
Alabama Street

MANDARIN CHINESE LANGUAGE IMMERSION MAGNET SCHOOL

The Mandarin Chinese Language Immersion Magnet School was built in 1953 in Bellaire as a small elementary school.

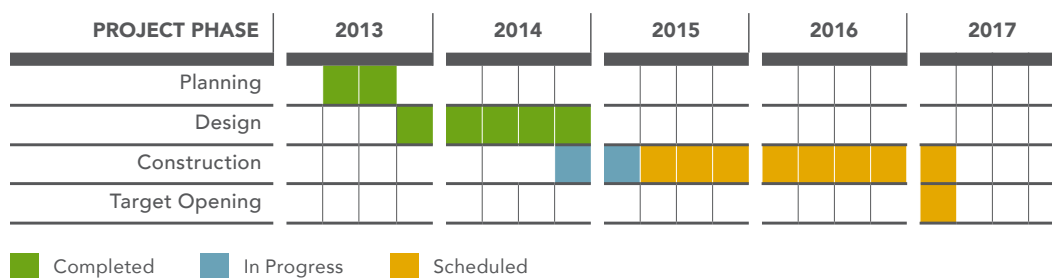
In the fall of 2012, the school became the first in HISD to offer full-immersion Mandarin Chinese instruction for pre-kindergarten through the second grade. The school will be adding additional grades each year. The school will eventually become a K-8 campus with a goal to create bilingual students who are college and career ready.

SCOPE OF WORK

New school for 750 – 900 students.


PROJECT STATUS

Building pad and underground utilities are ongoing.

TARGET SCHEDULE

Mandarin Chinese Language Immersion Magnet School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-460	Mandarin Chinese Language Immersion	\$32,161,000
	Planning and Design Start		Construction Start
	Early/Mid 2013		Mid/Late 2014
	Phase		% of Phase
	Construction		7%
Project Team			
HISD Manager		Sizwe Lewis	
Architect		PBK Architects	
Contractor		Satterfield & Pontikes Construction, Inc.	
Program Manager		Heery International, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	✓
Bid & Award	✓
Construction Start	✓
Construction Complete	



**KEY FACTS**

Budget
\$42,402,000

Trustee
Rhonda Skillern-Jones

Location
1701 Bringham

MICKEY LELAND COLLEGE PREPARATORY ACADEMY (FORMERLY YMCPA)

Students who attend Mickey Leland College Prep experience a small and inclusive environment enriched with a rigorous college preparatory curriculum, in partnership with The College Board. The Vanguard neighborhood school has a rich Science, Technology, Engineering and Math (STEM) program. The school emphasizes critical thinking, student confidence, and intellectual and social development.

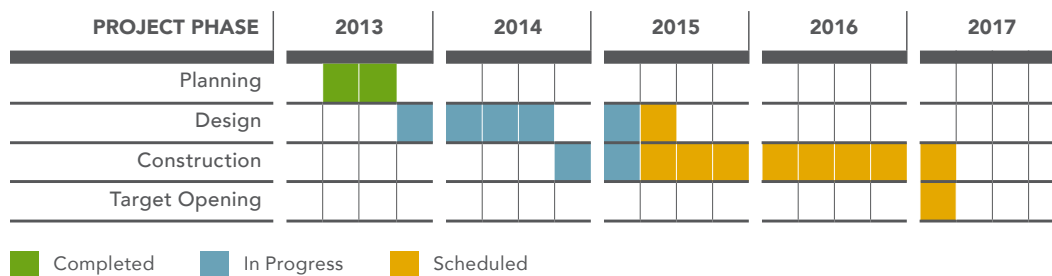
The school, formerly Young Men's College Preparatory Academy (YMCPA) and E. O. Smith Education Center, was transformed into an all-male college preparatory academy in 2011. The school serves grades 6 – 7 and 9 – 10. Subsequent grades will be added until the school serves grades 6 – 12. The first graduating class will walk across the stage in 2015.

SCOPE OF WORK

New facility for a campus accommodating 900 – 1,000 students.


PROJECT STATUS

Permit for foundation and footing demolition pending submission. Review and evaluate GMP #1 & #2 submission.

TARGET SCHEDULE

Mickey Leland College Preparatory Academy (formerly YMCPA) – continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-067	Mickey Leland College Preparatory Academy (formerly YMCPA)	\$42,402,000
	Planning and Design Start		Construction Start
	Early/Mid 2013		Mid/Late 2014
	Phase		% of Phase
	Construction Documents Construction		95% 4%
Project Team			
HISD Manager		Matisia Hollingsworth	
Architect		Harrison Kornberg with Corgan Associates	
Contractor		KBR Building Group, LLC	
Program Manager		Rice & Gardner Consultants, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	
Bid & Award	✓
Construction Start	✓
Construction Complete	



**KEY FACTS**

Budget
\$68,810,000

Trustee
Manuel Rodriguez Jr.

Location
1601 Broadway

MILBY HIGH SCHOOL

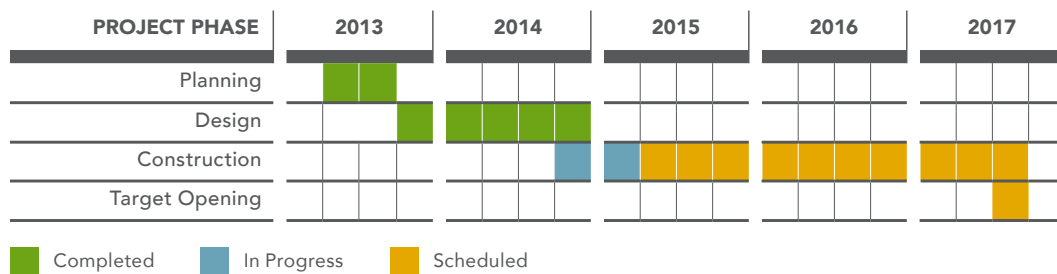
Milby High School was constructed in 1926 in east Houston. The campus has seen numerous additions over the years.

SCOPE OF WORK

New school preserving the architecturally significant building structure to accommodate 1,800 – 2,000 students.


PROJECT STATUS

Abatement and demolition are ongoing.

TARGET SCHEDULE

Milby High School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-011	Milby High School	\$68,810,000
	Planning and Design Start		Construction Start
	Early/Mid 2013		Mid/Late 2014
	Phase		% of Phase
	Construction		17%
Project Team			
HISD Manager		Sizwe Lewis	
Architect		Kirksey Architecture	
Contractor		Tellepsen Builders, LP	
Program Manager		Heery International, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	
Bid & Award	✓
Construction Start	✓
Construction Complete	



**KEY FACTS**

Budget
\$13,500,000

Trustee
Anna Eastman

Location
8001 Fulton

NORTH HOUSTON EARLY COLLEGE HIGH SCHOOL

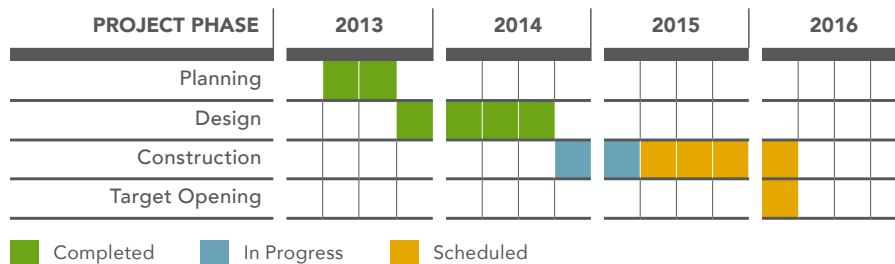
North Houston Early College High School is one of five early college campuses in HISD that offers students the chance to earn college credits while still in high school. The NHECHS mission is to prepare students for tomorrow's workforce — especially in the fields of science, technology, engineering, and mathematics.

SCOPE OF WORK

New school for 400 students at the Houston Community College – Northline Campus.


PROJECT STATUS

Drilling piers and underground utilities are ongoing.

TARGET SCHEDULE

North Houston Early College High School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-308	North Houston Early College High School	\$13,500,000
	Planning and Design Start		Construction Start
	Early/Mid 2013		Mid/Late 2014
	Phase		% of Phase
	Construction		5%
Project Team			
HISD Manager		Cedrick Winslow	
Architect		RdIR Architects	
Contractor		Drymalla	
Program Manager		Kwame Building Group	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	✓
Bid & Award	✓
Construction Start	✓
Construction Complete	





KEY FACTS

Budget
\$54,944,000

Trustee
Greg Meyers

Location
7504 Bissonnet St.

SHARPSTOWN HIGH SCHOOL

Sharpstown High School is a Vanguard neighborhood school with a variety of special programs, including Business Management and Administration, Career Development, Finance, Health Science, and Information Technology.

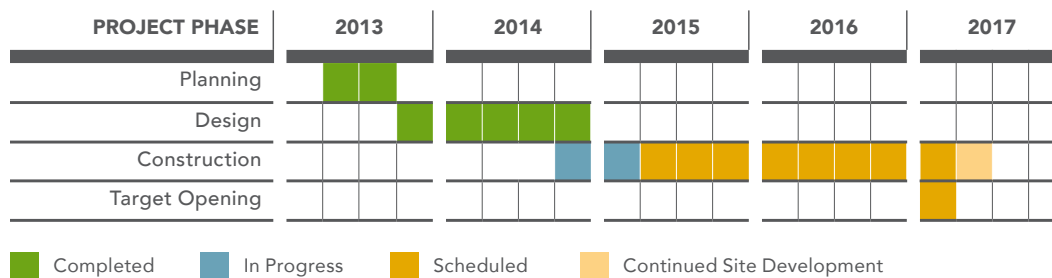
SCOPE OF WORK

New school for 1,300 – 1,500 students.

PROJECT STATUS


Finalize GMP #1.

TARGET SCHEDULE



Sharpstown High School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-023	Sharpstown High School	
	Planning and Design Start		Construction Start
	Early/Mid 2013		Mid/Late 2014
	Phase		% of Phase
	Construction Documents Construction		87% 5%
Project Team			
HISD Manager		Meredith Smith	
Architect		Kell-Munoz Co.	
Contractor		KBR Building Group, LLC	
Program Manager		URS - Skanska	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	
Bid & Award	✓
Construction Start	✓
Construction Complete	





KEY FACTS

Budget
\$13,500,000

Trustee
Paula Harris

Location
1990 Airport Blvd.

SOUTH EARLY COLLEGE HIGH SCHOOL

HISD currently has five early college campuses that offer students the chance to earn college credits while still in high school.

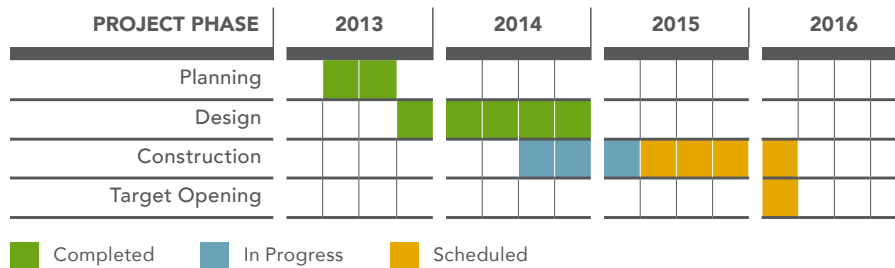
SCOPE OF WORK

New school for 400 students at the Houston Community College – South Campus.

PROJECT STATUS


Building pad work is ongoing.

TARGET SCHEDULE



South Early College High School – continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-454	South Early College High School	\$13,500,000
	Planning and Design Start		Construction Start
	Early/Mid 2013		Mid/Late 2014
	Phase		% of Phase
	Construction		5%
Project Team			
HISD Manager		Cedrick Winslow	
Architect		Smith & Co.	
Contractor		Drymalla	
Program Manager		Kwame Building Group	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	✓
Bid & Award	✓
Construction Start	✓
Construction Complete	



KEY FACTS

Budget
\$72,304,000

Trustee
Paula Harris

Location
11625 Martindale Rd.

STERLING HIGH SCHOOL

Sterling High School, constructed in 1965, consists of five main school buildings. The Vanguard neighborhood school offers specialized programs such as Marketing, Aviation Sciences, community-based vocational Instruction, and speech therapy.

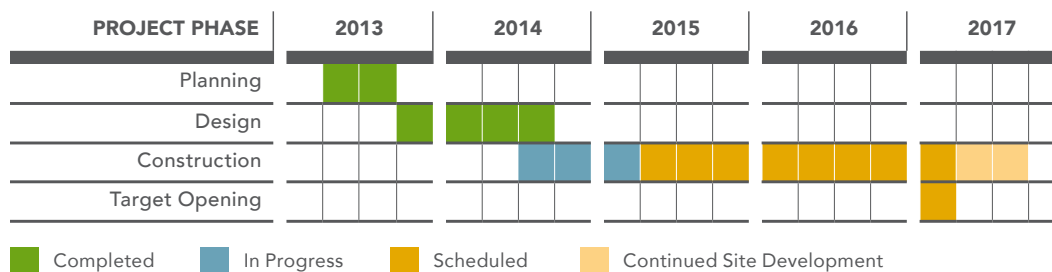
SCOPE OF WORK

New school for 1,600 – 1,800 students.

PROJECT STATUS


Contractor has started pouring the slab. Underground utilities are ongoing.

TARGET SCHEDULE



Sterling High School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-014	Sterling High School	\$72,304,000
	Planning and Design Start		Construction Start
	Early/Mid 2013		Mid/Late 2014
	Phase		% of Phase
	Construction		10%
Project Team			
HISD Manager		Sizwe Lewis	
Architect		SHW Group	
Contractor		Cadence McShane Construction, LLC	
Program Manager		Heery International, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	✓
Bid & Award	✓
Construction Start	✓
Construction Complete	





KEY FACTS

Budget
\$30,115,000

Trustee
Anna Eastman

Location
1900 West 34th St.

WALTRIP HIGH SCHOOL

Waltrip High School opened in 1959 in the Oak Forest neighborhood in north Houston. The school offers a Research & Technology Magnet Program. The goal is to prepare all students to be college or career ready.

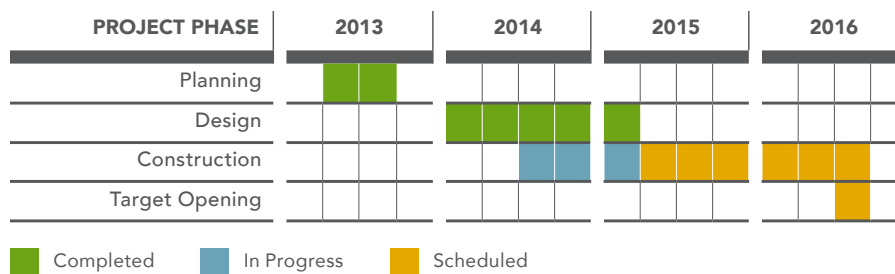
SCOPE OF WORK

Partial replacement and general renovations to accommodate 1,800 – 2,000 students.

PROJECT STATUS


Continue demolition and build out of area "A".

TARGET SCHEDULE



Waltrip High School — continued

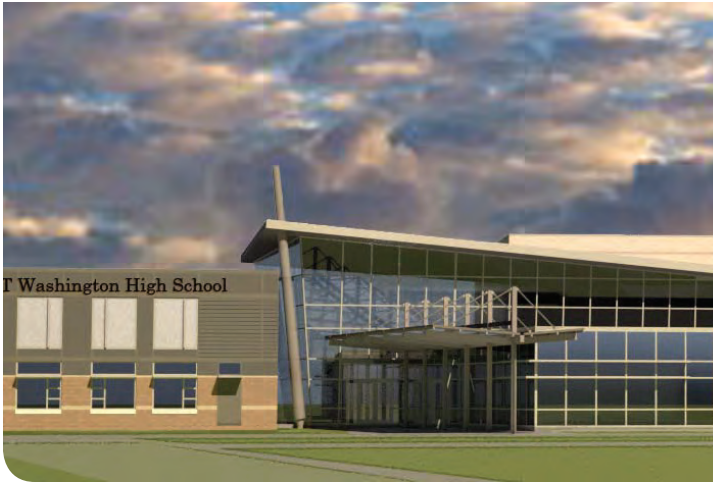
INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-015	Waltrip High School	\$30,115,000
	Planning and Design Start		Construction Start
	Early/Mid 2013		Mid/Late 2014
	Phase		% of Phase
	Construction Documents Construction		95% 25%
Project Team			
HISD Manager		Matisia Hollingsworth	
Architect		Gensler	
Contractor		Satterfield & Pontikes	
Program Manager		Rice & Gardner Consultants, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	
Bid & Award	✓
Construction Start	✓
Construction Complete	





KEY FACTS

Budget
\$51,732,000

Trustee
Rhonda Skillern-Jones

Location
119 E. 39th St.

WASHINGTON HIGH SCHOOL

Booker T. Washington High School was constructed in 1958 in the northwest part of Houston.

Booker T. Washington was named after the education pioneer and features a specialized program for students interested in the engineering professions.

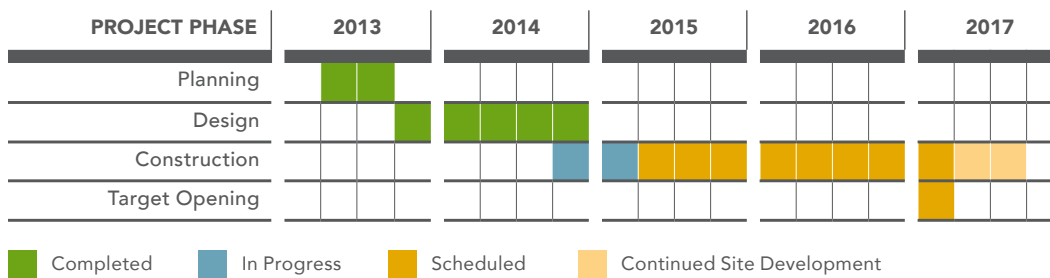
SCOPE OF WORK

New school for 1,100 – 1,300 students.

PROJECT STATUS


Demolition of properties is ongoing.

TARGET SCHEDULE



Washington High School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-016	Washington High School	\$51,732,000
	Planning and Design Start		Construction Start
	Early/Mid 2013		Mid/Late 2014
	Phase		% of Phase
	Construction		7%
Project Team			
HISD Manager		Cedrick Winslow	
Architect		Fanning-Howey/House Partners	
Contractor		KBR Building Group, LLC	
Program Manager		Kwame Building Group	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	✓
Bid & Award	✓
Construction Start	✓
Construction Complete	



**KEY FACTS**

Budget
\$23,417,000

Trustee
Harvin Moore

Location
Old Farm Road between
Buffalo Bayou and
Westheimer

MARK WHITE ELEMENTARY

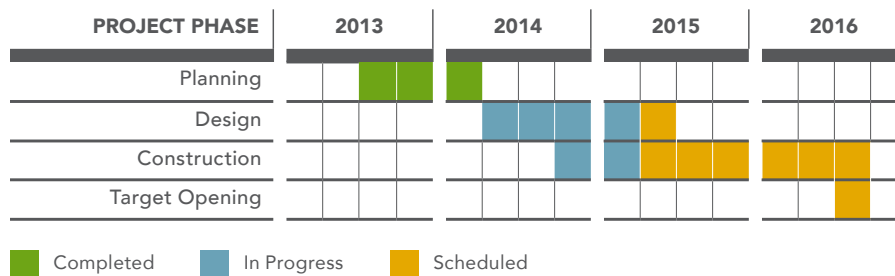
Demographic projections and current student populations indicate a need for a new elementary school in the west Houston area.

SCOPE OF WORK

New school for 750 students.


PROJECT STATUS

Permit for roadway and building pad targeted for April 15.

TARGET SCHEDULE

Mark White Elementary— continued

INFORMATION

Indicator	ID	Project/School/Facility		Budget
	TBD	Mark White Elementary		\$23,417,000
	Planning and Design Start		Construction Start	
	Early/Mid 2013		Mid/Late 2014	
	Phase		% of Phase	
	Construction Documents Construction		30% 2%	
Project Team				
HISD Manager		Matisia Hollingsworth		
Architect		English & Associates		
Contractor		DivisionOne Construction		
Program Manager		Rice & Gardner Consultants, Inc.		

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	
Bid & Award	✓
Construction Start	✓
Construction Complete	

**KEY FACTS**

Budget
\$30,180,000

Trustee
Wanda Adams

Location
9215 Scott

WORTHING HIGH SCHOOL

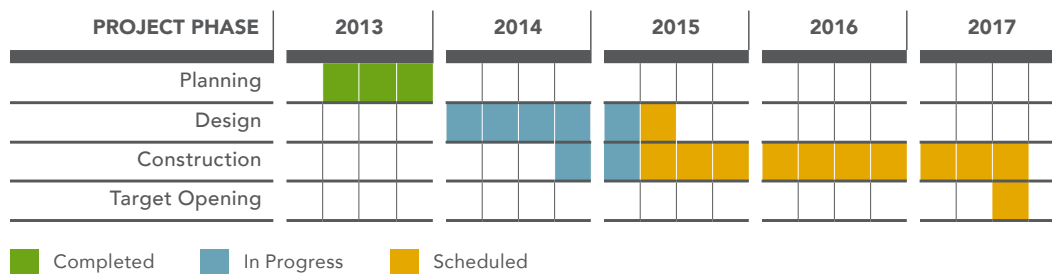
Worthing High School provides a comprehensive academic curriculum, along with career and technology programs. The main building at Worthing High School was constructed in 1959.

SCOPE OF WORK

New facility that will incorporate the new two-story classroom wing for a campus accommodating 1,100 – 1,300 students.


PROJECT STATUS

Overhead MEP ongoing. Exterior sheathing has commenced.

TARGET SCHEDULE

Worthing High School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-019	Worthing High School	\$30,180,000
	Planning and Design Start		Construction Start
	Early/Mid 2013		Mid/Late 2014
	Phase		% of Phase
	Construction Documents Construction		35% 25%
Project Team			
HISD Manager		Cedrick Winslow	
Architect		Molina Walker Architects	
Contractor		B3Ci	
Program Manager		Kwame Building Group	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	
Bid & Award	✓
Construction Start	✓
Construction Complete	





Project Update Report — Group 2



KEY FACTS

Budget
\$106,724,000

Trustee
Michael L. Lunceford

Location
5100 Maple, Bellaire

BELLAIRE HIGH SCHOOL

Bellaire High School is a Vanguard neighborhood school that serves more than 3,700 students and includes a variety of special programs, including IB, Health Science, World Languages, and Finance. The campus consists of one main building, built in 1955 with a 1981 addition, four smaller buildings, and a new science classroom building. The campus also has several temporary buildings.

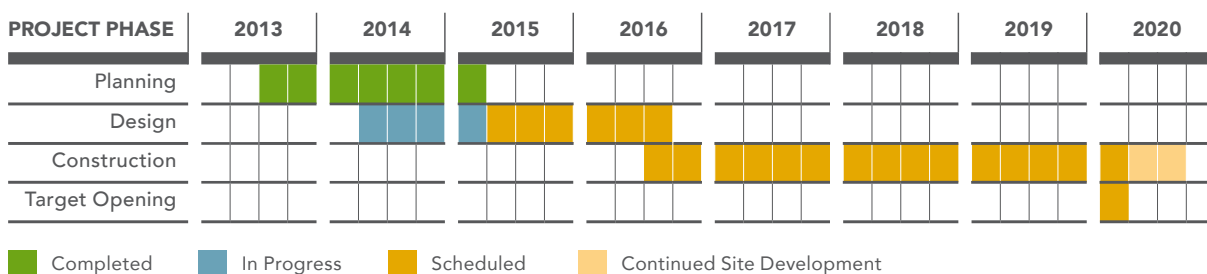
SCOPE OF WORK

New school for 2,800 – 3,100 students that will incorporate the recently completed science classroom and laboratory wing.

PROJECT STATUS

A/E recently presented 3 design options—all over budget. A/E and CMAR tasked to develop viable, in budget, solution(s) by March 6. Traffic report discussed with PAT. Team still working to develop budget-compliant design scheme and phasing scenario.


TARGET SCHEDULE



Note: Schedule subject to change.

Bellaire High School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-002	Bellaire High School	\$106,724,000
	Planning and Design Start		Construction Start
	Early/Mid 2014		Mid/Late 2015
	Phase		% of Phase
	Schematic Design		80%
Project Team			
HISD Manager		Sizwe Lewis	
Architect		PBK Architects	
Contractor		Turner Construction Company	
Program Manager		Heery International, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	



**KEY FACTS**

Budget
\$46,764,000

Trustee
Anna Eastman

Location
1101 Quitman

DAVIS HIGH SCHOOL

Jefferson Davis High School was built in 1926 in Houston's northside. The school features a magnet for Culinary Arts and Hotel Management as part of an academic program that seeks to prepare students for college and careers.

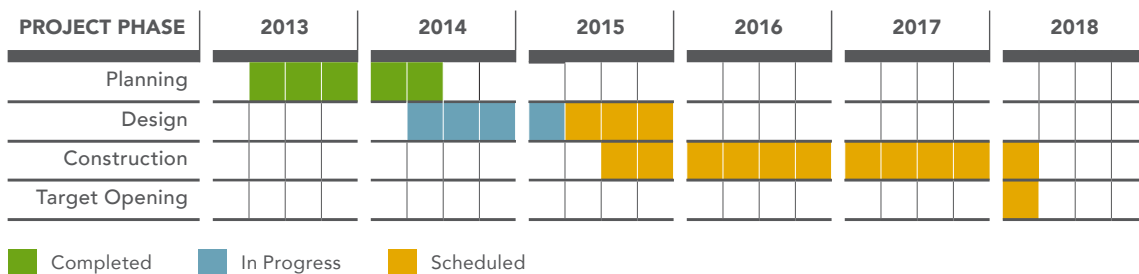
An addition to the school was completed in 1978, and several temporary buildings have been added over the years.

SCOPE OF WORK

New facility preserving the architecturally significant building structure for a school accommodating 1,500 – 1,700 students.

PROJECT STATUS


Scope-to-budget review in process. Working on permitting for demolition and abatement of structures on recently purchased land. Design scheme with adjusted scope was presented to PAT.

TARGET SCHEDULE

Note: Schedule subject to change.

Davis High School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-003	Davis High School	\$46,764,000
	Planning and Design Start		Construction Start
	Early/Mid 2014		Mid/Late 2015
	Phase		% of Phase
	Design Development		7%
Project Team			
HISD Manager		Sizwe Lewis	
Architect		Bay-IBI Group Architects	
Contractor		H.J. Russell & Company	
Program Manager		Heery International, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	





KEY FACTS

Budget
\$59,125,000

Trustee
Wanda Adams

Location
14000 Stancliff

DOWLING MIDDLE SCHOOL

Dowling Middle School serves students in grades 6 through 8 in south Houston. The school offers a fine arts program as part of an academic program to prepare students for high school.

The main building at Dowling Middle School was constructed in 1966, and over the years the campus has grown to include several small ancillary buildings and 17 temporary classroom buildings.

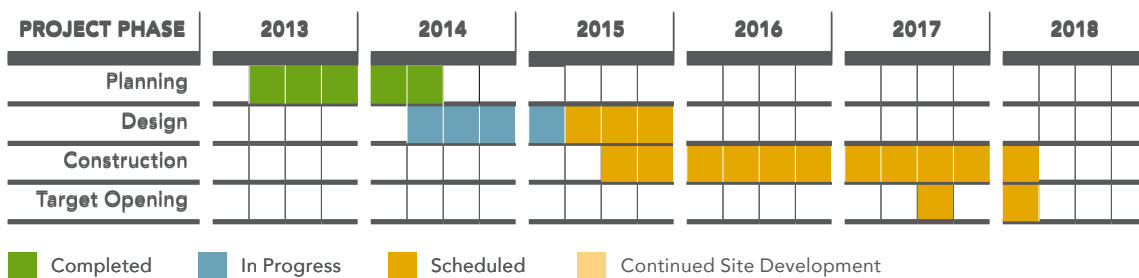
SCOPE OF WORK

New school for 1,300 – 1,500 students.

PROJECT STATUS

A/E team has prepared alternative design that more closely aligns with approved budget and HISD is reviewing sketches. 100% CD targeted for Sept. 2015.


TARGET SCHEDULE



Note: Schedule subject to change.

Dowling Middle School – continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-075	Dowling Middle School	\$59,125,000
	Planning and Design Start		Construction Start
	Early/Mid 2014		Mid/Late 2015
	Phase		% of Phase
	Design Development		30%
Project Team			
HISD Manager		Matisia Hollingsworth	
Architect		Harrison Kornberg	
Contractor		Turner Construction Company	
Program Manager		Rice & Gardner Consultants, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	



**KEY FACTS**

Budget
\$10,875,000

Trustee
Juliet K. Stipeche

Location
1315 Dumble St.

EASTWOOD ACADEMY

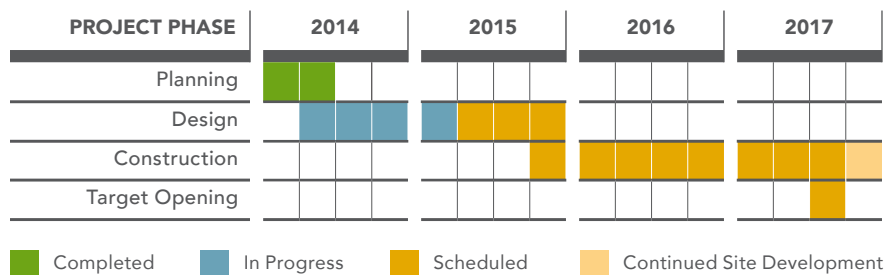
Eastwood Academy is college preparatory charter high school southeast of downtown Houston. All of Eastwood Academy's students take a rigorous college-preparatory curriculum and complete 80 hours of community volunteer work prior to graduation.

SCOPE OF WORK

New facility that will incorporate the new two-story classroom wing for a campus accommodating 500 students.

PROJECT STATUS


Scope-to-budget review in process. Easement and right-of-way abandonment efforts are underway. Facilities Planning group evaluating options to reduce space program without impacting educational functions.

TARGET SCHEDULE

Note: Schedule subject to change.

Eastwood Academy – continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-301	Eastwood Academy	\$10,875,000
	Planning and Design Start		Construction Start
	Early/Mid 2014		Mid/Late 2015
	Phase		% of Phase
	Construction Documents		95%
Project Team			
HISD Manager		Matisia Hollingsworth	
Architect		Prozign	
Contractor		Comex Corporation	
Program Manager		Rice & Gardner Consultants, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	



**KEY FACTS**

Budget
\$39,998,131

Trustee
Juliet K. Stipeche

Location
Scott between Pease
and Coyle

HIGH SCHOOL FOR LAW ENFORCEMENT & CRIMINAL JUSTICE (HSLECJ)

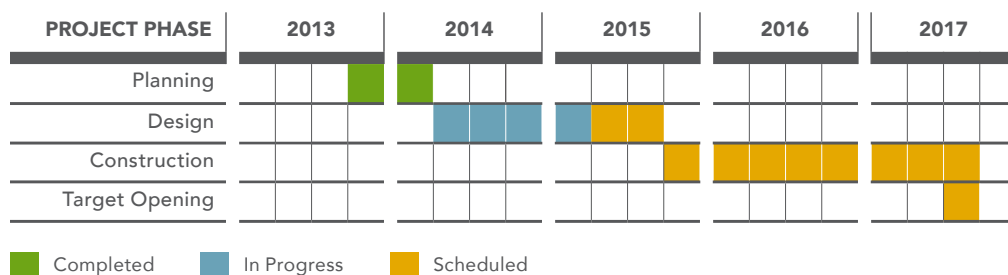
The mission of the High School for Law Enforcement & Criminal Justice is to provide students and staff with a safe facility where a strong academic education is given in conjunction with an in-depth study of Law Enforcement and Criminal Justice.

SCOPE OF WORK

The school will be rebuilt and funded from surplus bond monies or from real estate sale proceeds.

PROJECT STATUS


ACM (Asbestos Containing Material) testing in progress.

TARGET SCHEDULE

Note: Schedule subject to change.

High School for Law Enforcement and Criminal Justice — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-034	High School for Law Enforcement and Criminal Justice	\$39,998,131
	Planning and Design Start		Construction Start
	Early/Mid 2014		Mid/Late 2015
	Phase		% of Phase
	Construction Documents		95%
Project Team			
HISD Manager		Matisia Hollingsworth	
Architect		Page DLR	
Contractor		B3Ci	
Program Manager		Rice & Gardner Consultants, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	✓
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	



KEY FACTS

Budget
\$107,974,000

Trustee
Harvin C. Moore

Location
3325 Westheimer Rd.

LAMAR HIGH SCHOOL

Lamar High School offers an International Baccalaureate World School and a magnet program in Business Administration. The campus consists of four main school buildings and several small ancillary buildings. The original main building was constructed in 1937, with additions in 1987.

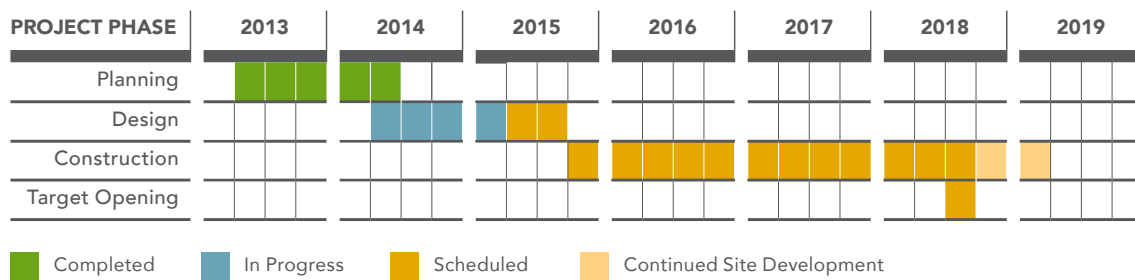
SCOPE OF WORK

New facility preserving the architecturally significant building structure for a campus accommodating 2,800 – 3,100 students.

PROJECT STATUS

A/E implementing modifications to previous concepts (4-story vs. 6-story, consolidation of additions), and finalizing SD Phase submittal. Team working through impact of campus-requested scope adjustments.


TARGET SCHEDULE



Note: Schedule subject to change.

Lamar High School — continued

INFORMATION

Indicator	ID	Project/School/Facility		Budget
	C-008	Lamar High School		\$107,974,000
	Planning and Design Start		Construction Start	
	Early/Mid 2014		Mid/Late 2015	
	Phase		% of Phase	
	Schematic Design		90%	
Project Team				
HISD Manager		Sizwe Lewis		
Architect		Perkins-Will		
Contractor		Gilbane Building Company		
Program Manager		Heery International, Inc.		

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	





KEY FACTS

Budget
\$29,485,000

Trustee
Wanda Adams

Location
10626 Atwell

PARKER ELEMENTARY

Parker Elementary in southwest Houston is a music magnet school.

The original campus of Parker Elementary School was constructed in 1959. The campus also includes five temporary classroom buildings.

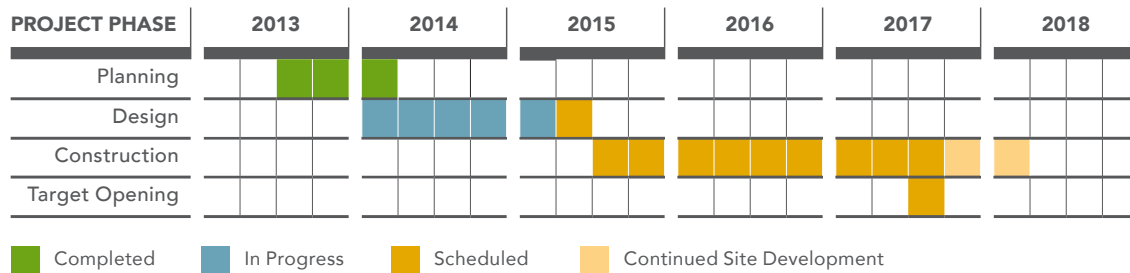
SCOPE OF WORK

New school for 850 students.

PROJECT STATUS

Scope-to-budget review in process.


TARGET SCHEDULE



Note: Schedule subject to change.

Parker Elementary — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-215	Parker Elementary	\$29,485,000
	Planning and Design Start		Construction Start
	Early/Mid 2014		Mid/Late 2015
	Phase		% of Phase
	Design Development		90%
Project Team			
HISD Manager		Meredith Smith	
Architect		Brave Architecture	
Contractor		Brae Burn Construction	
Program Manager		URS-Skanska	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	



**KEY FACTS**

Budget
\$59,481,000

Trustee
Paula Harris

Location
3703 Sampson

YATES HIGH SCHOOL

Yates High School, located in Houston's third ward, provides a comprehensive college preparatory curriculum that features a magnet communications program.

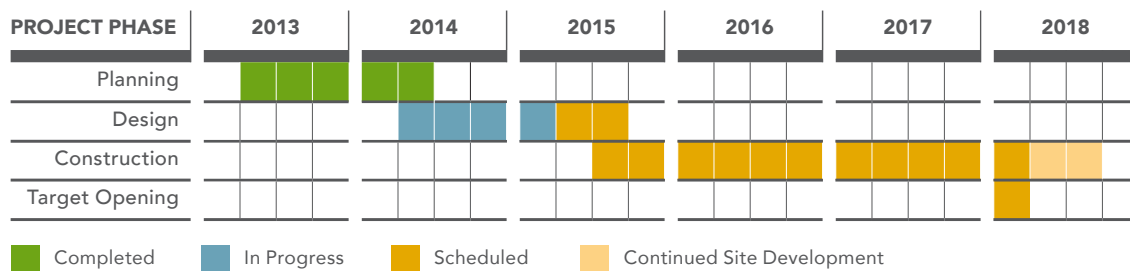
The main building at Yates High School was constructed in 1958.

SCOPE OF WORK

New school for 1,300 – 1,500 students.

PROJECT STATUS


A/E and PM working with Facilities Planning group to finalize educational specifications and align scope with budget. A/E incorporating scope-to-budget adjustments into design and developing façade concept.

TARGET SCHEDULE

Note: Schedule subject to change.

Yates High School — continued

INFORMATION

Indicator	ID	Project/School/Facility		Budget
	C-020	Yates High School		\$59,481,000
	Planning and Design Start		Construction Start	
	Early/Mid 2014		Mid/Late 2015	
	Phase		% of Phase	
	Design Development		80%	
Project Team				
HISD Manager		Cedrick Winslow		
Architect		Moody Nolan		
Contractor		Turner Construction		
Program Manager		Kwame Building Group		

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	✓
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	





Project Update Report — Group 3

**KEY FACTS**

Budget
\$26,632,000

Trustee
Greg Meyers

Location
11200 Wood Lodge Drive

ASKEW ELEMENTARY

Askew Elementary School is a pre-K – 5 school with a Vanguard magnet and a bilingual education program. The campus includes 22 classrooms in temporary buildings.

SCOPE OF WORK

New school for 850 students.

PROJECT STATUS

Scope-to-budget alignment exercise has been completed. A/E continuing to review draft educational specifications and prepare conceptual studies.

TARGET SCHEDULE


PROJECT PHASE	2014	2015	2016	2017	2018
Planning					
Design					
Construction					
Target Opening					

■ Completed
 ■ In Progress
 ■ Scheduled

Note: Schedule subject to change.

Askew Elementary — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-274	Askew Elementary	\$26,632,000
	Planning and Design Start		Construction Start
	Early/Mid 2015		Mid/Late 2016
	Phase		% of Phase
	Schematic Design		5%
Project Team			
HISD Manager		Matisia Hollingsworth	
Architect		Cre8 Architects	
Contractor		TBD	
Program Manager		Rice & Gardner Consultants, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	



**KEY FACTS**

Budget
\$36,693,000

Trustee
Rhonda Skillern-Jones

Location
5800 Eastex Freeway

JORDAN HIGH SCHOOL

Barbara Jordan High School for Careers features HISD's only career magnet school. Located in northeast Houston, the school provides real-world experiences in a variety of professions, from advertising and graphic design to automotive repair.

The goal of the program is to graduate students who are college and career ready.

SCOPE OF WORK

New school for 600 – 800 students.

PROJECT STATUS

A/E working with Facilities Planning to finalize educational specifications and reviewing existing CTE-focused campuses.

TARGET SCHEDULE


PROJECT PHASE	2014	2015	2016	2017	2018
Planning					
Design					
Construction					
Target Opening					

■ Completed
 ■ In Progress
 ■ Scheduled

Note: Schedule subject to change.

Jordan High School for Careers — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-033	Jordan High School for Careers	\$36,693,000
	Planning and Design Start		Construction Start
	Early/Mid 2015		Mid/Late 2016
	Phase		% of Phase
	Schematic Design		1%
Project Team			
HISD Manager		Sizwe Lewis	
Architect		Corgan Associates, Inc. dba Corgan	
Contractor		TBD	
Program Manager		Heery International, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	





KEY FACTS

Budget
\$101,428,000

Trustee
Anna Eastman

Location
9400 Irvington

SAM HOUSTON HIGH SCHOOL

Sam Houston High School was built in 1934 in north Houston and is one of HISD's largest comprehensive high schools.

Over the years, the school has undergone several renovations, most recently the addition of a new science and laboratory building to support the school's mission to prepare students for college and careers.

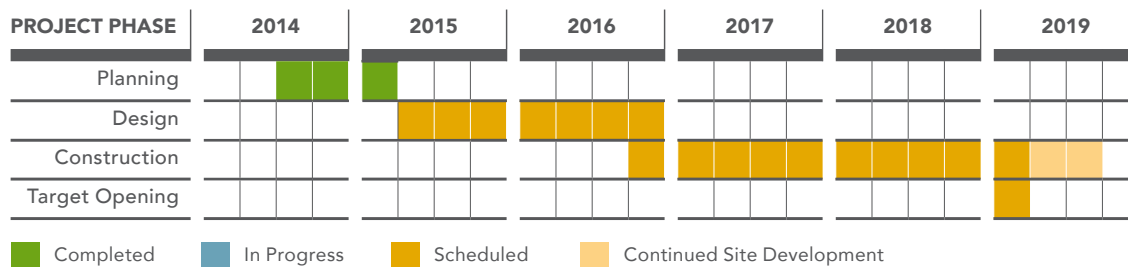
SCOPE OF WORK

New school that incorporates the new science classroom and laboratory wing for 2,550 – 2,750 students.

PROJECT STATUS

Scope-to-budget alignment exercise has been completed. A/E continuing to review draft educational specifications and prepare conceptual studies.


TARGET SCHEDULE



Note: Schedule subject to change.

Sam Houston High School – continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-310	Sam Houston High School	\$101,428,000
	Planning and Design Start		Construction Start
	Early/Mid 2015		Mid/Late 2016
	Phase		% of Phase
	Schematic Design		5%
Project Team			
HISD Manager		Meredith Smith	
Architect		Stantec Architecture, Inc.	
Contractor		TBD	
Program Manager		URS - Skanska	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	



**KEY FACTS**

Budget
\$27,159,000

Trustee
Paula Harris

Location
1906 Cleburne

YOUNG WOMEN'S COLLEGE PREPARATORY ACADEMY (YWCPA)

YWCPA opened in the falls of 2011 in midtown Houston to allow young women to experience a small and inclusive environment enriched with a rigorous college preparatory curriculum.

The school is planning on becoming a 6 – 12 school and currently enrolls students in grades 6, 7, 9, and 10.

SCOPE OF WORK

Partial replacement and general renovations for a campus accommodating 900 – 1,000 students.

PROJECT STATUS

Scope-to-budget alignment exercise has been completed. A/E continuing to review draft educational specifications and prepare conceptual studies.

TARGET SCHEDULE


PROJECT PHASE	2014	2015	2016	2017	2018
Planning	<div></div> <div></div> <div></div>	<div></div> <div></div> <div></div>			
Design		<div></div> <div></div> <div></div>	<div></div> <div></div>		
Construction			<div></div> <div></div>	<div></div> <div></div> <div></div> <div></div>	<div></div> <div></div> <div></div>
Target Opening					<div></div>

■ Completed
 ■ In Progress
 ■ Scheduled

Note: Schedule subject to change.

Young Women's College Preparatory Academy – continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-029	Young Women’s College Preparatory Academy	\$27,159,000
	Planning and Design Start		Construction Start
	Early/Mid 2015		Mid/Late 2016
	Phase		% of Phase
	Schematic Design		5%
Project Team			
HISD Manager		Sizwe Lewis	
Architect		Natex Corporation	
Contractor		TBD	
Program Manager		Heery International, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	





Project Update Report — Group 4

**KEY FACTS**

Budget
\$68,429,000

Trustee
Juliet K. Stipeche

Location
1700 Dumble St.

AUSTIN HIGH SCHOOL

Stephen F. Austin High School is located in Houston's East End. The campus features a magnet program in the teaching professions and offers all students a curriculum to prepare for college and career.

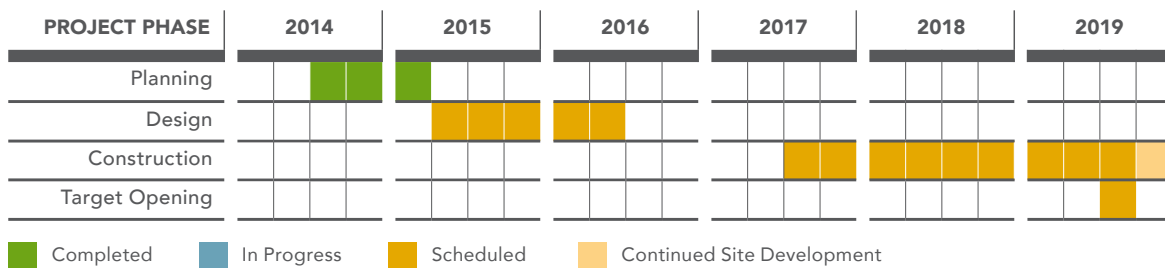
The school's main building was built in 1937.

SCOPE OF WORK

New facility preserving the architecturally significant building structure for a campus accommodating 1,800 – 2,000 students.

PROJECT STATUS

Scope-to-budget alignment exercise has been completed. A/E continuing to review draft educational specifications and prepare conceptual studies.

TARGET SCHEDULE

Note: Schedule subject to change.

Austin High School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-001	Austin High School	\$68,429,000
	Planning and Design Start		Construction Start
	Late 2015/Early 2016		Mid 2017
	Phase		% of Phase
	Schematic Design		5%
Project Team			
HISD Manager		Sizwe Lewis	
Architect		ERO Architects	
Contractor		TBD	
Program Manager		Heery International, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	





KEY FACTS

Budget
\$26,678,000

Trustee
Anna Eastman

Location
901 Sue Barnett Drive

GARDEN OAKS MONTESSORI K-8

Garden Oaks Elementary school is located in Houston's Garden Oaks neighborhoods, north of 610.

The school features a Montessori magnet with environmental sciences with the goal of empowering students with 21st century learning tools. The original school was built in 1979 with an addition built in 1981. The school was last renovated in 2005.

Currently, the campus relies on eight temporary buildings, as well as a temporary restroom.

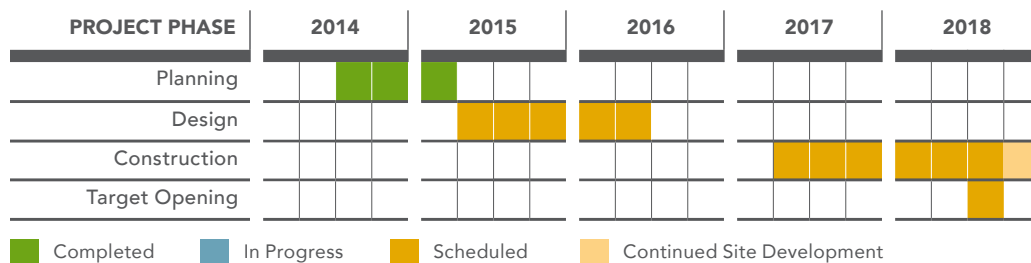
SCOPE OF WORK

New addition and general renovations of the existing facilities to accommodate 750 – 900 students.

PROJECT STATUS

Scope-to-budget alignment exercise has been completed. A/E continuing to review draft educational specifications and prepare conceptual studies.

TARGET SCHEDULE



Note: Schedule subject to change.

Garden Oaks Elementary – continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-157	Garden Oaks Montessori K-8	\$26,678,000
	Planning and Design Start		Construction Start
	Late 2015/Early 2016		Mid 2017
	Phase		% of Phase
	Schematic Design		5%
Project Team			
HISD Manager		Matisia Hollingsworth	
Architect		Hill Swart Chu Architects, LLC	
Contractor		TBD	
Program Manager		Rice & Gardner Consultants, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	





KEY FACTS

Budget
\$1,125,000

Trustee
Paula Harris

Location
7414 St. Lo Rd.

JONES HIGH SCHOOL

Jones High School was constructed in 1956 in southeast Houston.

SCOPE OF WORK

Renovations to existing school facilities.

PROJECT STATUS

Planning and design to start in Late 2015/Early 2016, with construction planned for 2017.

TARGET SCHEDULE


PROJECT PHASE	2014	2015	2016	2017	2018
Planning					
Design					
Construction					
Target Opening					

■ Completed
 ■ In Progress
 ■ Scheduled
 ■ Continued Site Development

Note: Schedule subject to change.

Jones High School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-006	Jones High School	\$1,125,000
	Planning and Design Start		Construction Start
	Late 2015/Early 2016		Mid 2017
	Phase		% of Phase
Project Team			
HISD Manager		Randy Adams	
Architect		N/A	
Contractor		N/A	
Program Manager		N/A	

MILESTONES COMPLETED

Programming/Conceptual Design	
Schematic Design Phase	
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	



**KEY FACTS**

Budget
\$17,000,000

Trustee
Rhonda Skillern-Jones

Location
6900 Wileyvale Rd.

KASHMERE HIGH SCHOOL

Kashmere High School is located on Houston's northeast side and features music and fine arts magnet as well as a curriculum to prepare students for college and careers.

The school was constructed in 1969 and was last renovated in 2000.

SCOPE OF WORK

Renovations to existing school facilities and site improvements.

PROJECT STATUS

Scope-to-budget alignment exercise has been completed. A/E continuing to review draft educational specifications and prepare conceptual studies.

TARGET SCHEDULE


PROJECT PHASE	2014	2015	2016	2017	2018
Planning	<div>Completed</div>	<div>Completed</div>			
Design		<div>Scheduled</div>	<div>Scheduled</div>		
Construction				<div>Scheduled</div>	<div>Scheduled</div>
Target Opening					<div>Scheduled</div>

Completed
In Progress
Scheduled

Note: Schedule subject to change.

Kashmere High School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-007	Kashmere High School	\$17,000,000
	Planning and Design Start		Construction Start
	Late 2015/Early 2016		Mid 2017
	Phase		% of Phase
	Schematic Design		5%
Project Team			
HISD Manager		Meredith Smith	
Architect		Natex Corporation	
Contractor		TBD	
Program Manager		URS - Skanska	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	



**KEY FACTS**

Budget
\$82,736,000

Trustee
Wanda Adams

Location
13719 White Heather Dr.

MADISON HIGH SCHOOL

The mission of James Madison High School for Meteorology and Space Science is to equip students to meet the challenge of the 21st century by providing a “hands-on” commitment-oriented curriculum that promotes skill development for gainful employment and academic excellence for college preparation.

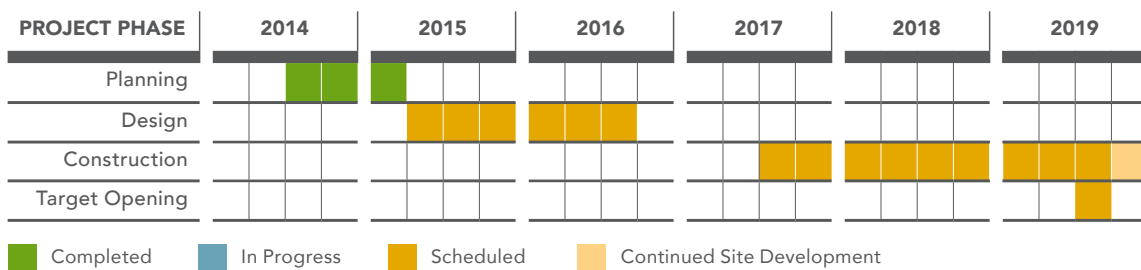
The school, located in southwest Houston, is a campus that consists of five school buildings and 21 temporary buildings.

SCOPE OF WORK

New school for 1,900 – 2,100 students that will incorporate recent science and classroom building renovations.

PROJECT STATUS

Scope-to-budget alignment exercise has been completed. A/E continuing to review draft educational specifications and prepare conceptual studies.

TARGET SCHEDULE

Note: Schedule subject to change.

Madison High School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-010	Madison High School	\$82,736,000
	Planning and Design Start		Construction Start
	Late 2015/Early 2016		Mid 2017
	Phase		% of Phase
	Schematic Design		5%
Project Team			
HISD Manager		Sizwe Lewis	
Architect		Morris Architects, Inc.	
Contractor		TBD	
Program Manager		Heery International, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	





KEY FACTS

Budget
\$7,989,000

Trustee
Harvin C. Moore

Location
6302 Skyline Dr.

PILGRIM ACADEMY

Pilgrim Academy was built in 2007 as a new elementary school in the Galleria area that has since expanded with a middle school program.

The school is currently using temporary classrooms for its middle school students.

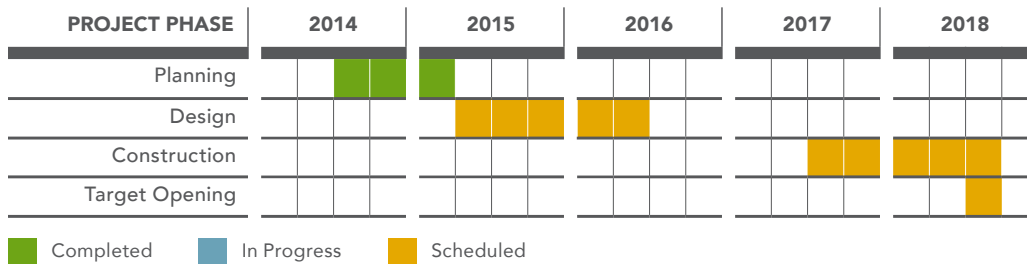
SCOPE OF WORK

New addition for a campus accommodating 750 – 900 students.

PROJECT STATUS

Scope-to-budget alignment exercise has been completed. A/E continuing to review draft educational specifications and prepare conceptual studies.

TARGET SCHEDULE



Note: Schedule subject to change.

Pilgrim Academy – continued

INFORMATION

Indicator	ID	Project/School/Facility		Budget
	C-218	Pilgrim Academy		\$7,989,000
	Planning and Design Start		Construction Start	
	Late 2015/Early 2016		Mid 2017	
	Phase		% of Phase	
	Schematic Design		5%	
Project Team				
HISD Manager		Sizwe Lewis		
Architect		RDC Architects, PLLC		
Contractor		TBD		
Program Manager		Heery International, Inc.		

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	



**KEY FACTS**

Budget
\$12,566,000

Trustee
Anna Eastman

Location
4141 Costa Rica Rd.

SCARBOROUGH HIGH SCHOOL

Scarborough High School is part of HISD's Houston Innovative Learning Zone program, a partnership between the district and Houston Community College to provide industry certification and associate's degrees in specialized fields. Scarborough's program is in Network Computer Systems Administration.

The original buildings at the school were constructed in 1966.

SCOPE OF WORK

Renovations to existing school facilities and site improvements.

PROJECT STATUS

Scope-to-budget alignment exercise has been completed. A/E continuing to review draft educational specifications and prepare conceptual studies.

TARGET SCHEDULE


PROJECT PHASE	2014	2015	2016	2017	2018
Planning	<div>Completed</div>	<div>Completed</div>			
Design		<div>Scheduled</div>	<div>Scheduled</div>		
Construction				<div>Scheduled</div>	<div>Scheduled</div>
Target Opening					<div>Scheduled</div>

Completed
In Progress
Scheduled

Note: Schedule subject to change.

Scarborough High School – continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-024	Scarborough High School	\$12,566,000
	Planning and Design Start		Construction Start
	Late 2015/Early 2016		Mid 2017
	Phase		% of Phase
	Schematic Design		5%
Project Team			
HISD Manager		Meredith Smith	
Architect		Randall - Porterfield Architects, Inc.	
Contractor		TBD	
Program Manager		URS - Skanska	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	



**KEY FACTS**

Budget
\$6,125,000

Trustee
Greg Meyers

Location
8330 Triola Lane

SHARPSTOWN INTERNATIONAL

HISD, in partnership with Asia Society International Studies Schools Network, developed a new high school in August 2007 called the International High School at Sharpstown.

In 2011 – 2012 school year, International High School and Sharpstown Middle School were consolidated to be the first 6 – 12 grade levels magnet program in HISD, with an international studies focus called Sharpstown International School.

SCOPE OF WORK

Renovations to existing school facilities and site improvements.

PROJECT STATUS

Scope-to-budget alignment exercise has been completed. A/E continuing to review draft educational specifications and prepare conceptual studies.

TARGET SCHEDULE

PROJECT PHASE	2014	2015	2016	2017	2018
Planning	<div>Completed</div>	<div>Completed</div>			
Design		<div>Scheduled</div>	<div>Scheduled</div>		
Construction				<div>Scheduled</div>	<div>Scheduled</div>
Target Opening					<div>Scheduled</div>

■ Completed
 ■ In Progress
 ■ Scheduled

Note: Schedule subject to change.

Sharpstown International — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-081	Sharpstown International	
	Planning and Design Start		Construction Start
	Late 2015/Early 2016		Mid 2017
	Phase		% of Phase
	Schematic Design		5%
Project Team			
HISD Manager		Matisia Hollingsworth	
Architect		Autoarch Architects, Inc.	
Contractor		TBD	
Program Manager		Rice & Gardner Consultants, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	





KEY FACTS

Budget
\$40,006,000

Trustee
Wanda Adams

Location
11911 Chimney Rock Rd.

WESTBURY HIGH SCHOOL

Westbury High School consists of five main school buildings. The original campus was constructed in 1961 and additions to the main school building were constructed in 1983, 1995, and 2004. Westbury is a Vanguard neighborhood school with special programs in Business Management and Administration, Health Science, A/V Technology, and Communications.

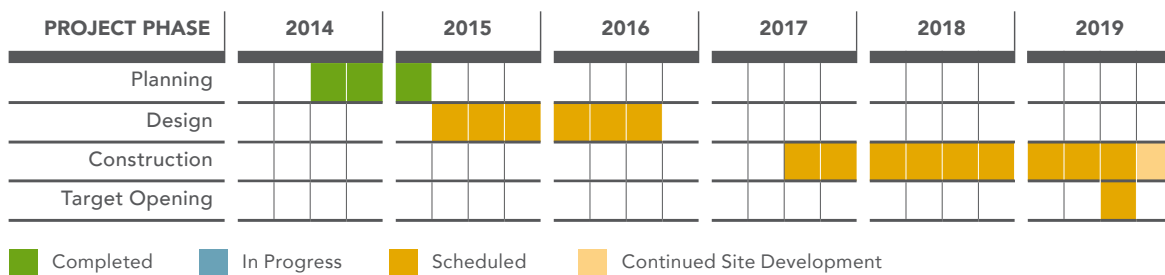
SCOPE OF WORK

Partial replacement and general renovations to accommodate 2,300 – 2,500 students.

PROJECT STATUS

Scope-to-budget alignment exercise has been completed. A/E continuing to review draft educational specifications and prepare conceptual studies.

TARGET SCHEDULE



Note: Schedule subject to change.

Westbury High School – continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-017	Westbury High School	\$40,006,000
	Planning and Design Start		Construction Start
	Late 2015/Early 2016		Mid 2017
	Phase		% of Phase
	Schematic Design		5%
Project Team			
HISD Manager		Matisia Hollingsworth	
Architect		Joiner Partnership, Inc.	
Contractor		TBD	
Program Manager		Rice & Gardner Consultants, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	



**KEY FACTS**

Budget
\$35,603,000

Trustee
Juliet K. Stipeche

Location
900 West Gray St.

WHARTON DUAL LANGUAGE ACADEMY

Wharton Dual Language Academy, in the Montrose area, offers a developmental bilingual program. Wharton was built as a small elementary school in 1929. It currently has seven temporary classroom buildings.

SCOPE OF WORK

New addition and general renovations of the existing facilities to accommodate 750 – 900 students.

PROJECT STATUS

Scope-to-budget alignment exercise has been completed. A/E continuing to review draft educational specifications and prepare conceptual studies.

TARGET SCHEDULE

PROJECT PHASE	2014	2015	2016	2017	2018	2019
Planning	<div>Completed</div>	<div>Completed</div>				
Design		<div>Scheduled</div>	<div>Scheduled</div>			
Construction				<div>Scheduled</div>	<div>Scheduled</div>	<div>Scheduled</div>
Target Opening						<div>Scheduled</div>

Completed
In Progress
Scheduled

Note: Schedule subject to change.

Wharton Dual Language Academy – continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-256	Wharton Dual Language Academy	\$35,603,000
	Planning and Design Start		Construction Start
	Late 2015/Early 2016		Mid 2017
	Phase		% of Phase
	Schematic Design		5%
Project Team			
HISD Manager		Matisia Hollingsworth	
Architect		H. Munoz & Company, Inc.	
Contractor		TBD	
Program Manager		Heery International, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	



**KEY FACTS**

Budget
\$18,914,000

Trustee
Paula Harris

Location
2100 Yupon

WILSON MONTESSORI SCHOOL

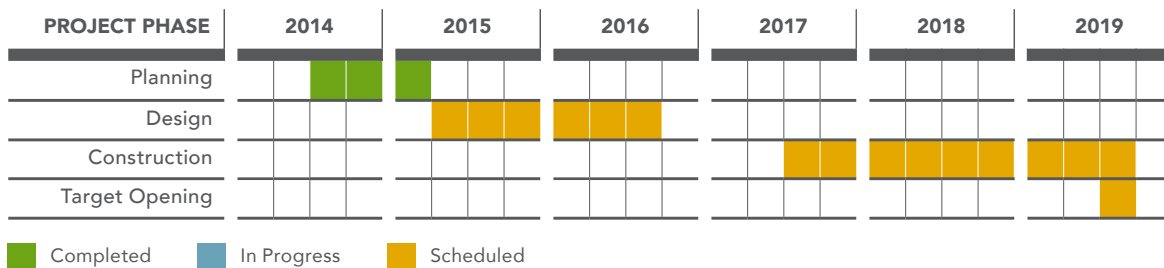
Wilson Montessori School K-8, located in the Montrose area, was constructed as a small elementary school in 1924 and was renovated in 2004. In February of 2005, HISD and Friends of Montessori (FOM) entered into an agreement to create HISD's first All-Montessori school. The campus has six temporary classroom buildings.

SCOPE OF WORK

New addition and general renovations to accommodate 750 – 900 students.

PROJECT STATUS

Scope-to-budget alignment exercise has been completed. A/E continuing to review draft educational specifications and prepare conceptual studies.

TARGET SCHEDULE

Note: Schedule subject to change.

Wilson Montessori School — continued

INFORMATION

Indicator	ID	Project/School/Facility	Budget
	C-259	Wilson Montessori School	\$18,914,000
	Planning and Design Start		Construction Start
	Late 2015/Early 2016		Mid 2017
	Phase		% of Phase
	Schematic Design		5%
Project Team			
HISD Manager		Matisia Hollingsworth	
Architect		Smith & Company Architects, Inc.	
Contractor		TBD	
Program Manager		Rice & Gardner Consultants, Inc.	

MILESTONES COMPLETED

Programming/Conceptual Design	✓
Schematic Design Phase	
Design Development	
Construction Documents	
Bid & Award	
Construction Start	
Construction Complete	





Districtwide Projects

DISTRICTWIDE PROJECTS

2012 Project Update Report

TECHNOLOGY UPGRADES AT ALL HISD SCHOOLS: \$100 MILLION

The 2012 bond allocated funding for network improvements and wireless expansion.

Project Status

The 2012 bond allocated funding for network improvements and wireless expansion. The scope of this work includes the addition of wireless access points, cabling and other infrastructure equipment such as network switches. Since January 2015, Briarmeadow Middle School, T.H. Rogers School, Lanier Middle School and Pershing Middle School have been completed. A number of schools are nearing completion with a target of this summer: Johnston Middle School, Briargrove Elementary School, Ashford Elementary School, Garden Oaks Elementary School, Red Elementary School, and Reagan K-8. The next group of schools in progress and scheduled for network improvements and wireless expansion are Bush Elementary School, Harvard Elementary School, Herod Elementary School, Horn Elementary School, Kolter Elementary School, Longfellow Elementary School, Lovett Elementary School, MacGregor Elementary School, Neff Elementary School, Poe Elementary School, Ray K. Daily Elementary School, River Oaks Elementary School, School at St. George Place, Sinclair Elementary School, Travis Elementary School, Twain Elementary School, and West University Elementary School. Following network improvements and wireless expansion activities, work will begin on VOIP expansion.

MIDDLE SCHOOL RESTROOM RENOVATIONS: \$35 MILLION

Renovations of the restrooms in middle schools across HISD.

Project Status

1. Phase I – JOC (Attucks, Deady, Fonville, Johnston, Key, McReynolds, Pershing, Westbriar and Henry) (Expedited included in Phase II JOC scope): In progress of completing installation of partitions, soap and toilet-paper dispensers to close out the project.
2. Phase II – JOC (Johnston, Pershing, Westbriar, Deady): Demolition is completed and construction is underway. Schedule is 120 days for construction; completion date is end of June 2015.
3. CSP Group 1 – Bid package 2 & 3: CSP contract with Prime Construction, Inc., is under finalization; 3 campuses (Johnston, Pershing and Key awaiting notarized cost detail from CSP contractor).
4. CSP Group 2 – Pkg 5,6, 7 and Group 3 – Pkg 4, 8, 9: 100% drawings received (exception still waiting on AE Courtney Harper to provide drawings on Long, Fleming, Pin Oak); AE notified to submit to COH for permitting. Need to identify where asbestos letters, reports & specs are.

*Districtwide Projects — continued***SAFETY AND SECURITY IMPROVEMENTS: \$17.3 MILLION**

Improvements include fencing, security cameras and access control.

Project Status

Continued replacement of CCTV devices with the focus on Priority 1- Fire Alarm Systems. Priority 1 – Fire Alarm systems include a variety of items to correct deficiencies that are pertinent to code compliance. This scope of work will be under the direction of HISD Facilities.

LAND ACQUISITION: \$55.8 MILLION

Funds to supplement significant site/parking constraints.

Project Status

The Real Estate Department is currently purchasing 21 individual properties, including residential, commercial and retail properties, for expansion of current school sites and new school sites as an integral part of the 2012 Bond Program. These properties total about 6 acres and will be utilized for expansion of the school sites at Jefferson Davis High School, as well as expansion of the new school site for Mark White Elementary School. These acquisitions are currently underway and are expected to be completed during the second quarter of 2015. In addition, the department is negotiating contracts for the sale of one surplus school site and has two others under contract for sale. Real Estate is currently marketing 10 surplus properties for sale and is fielding about 20 inquiries regarding these surplus HISD properties each week. Additionally, Real Estate is currently working on development of a centralized database of all HISD properties.

**KEY FACTS**

Budget
\$4,804,255

Location
6800 Fairway Drive

BARNETT ATHLETIC COMPLEX

Barnett Athletic Complex is a multipurpose facility including an 8,000-seat football stadium, baseball fields and a fieldhouse.


SCOPE OF WORK*

Regional field house(s) and athletic facility improvements.

PROJECT STATUS

Permit pending final health dept. approval. Target date: April 15.

Information

Indicator	ID	Project/School/Facility		Budget
	C-661	Barnett Fieldhouse		\$4,804,255
	Target Construction Start		Target Construction Completion	
	4th Qtr. 2014		3rd Qtr. 2016	
	Phase		% of Phase	
	Construction Documents		100%	
Project Team				
Manager		Matisia Hollingsworth		
Architect		PBK Architects		
Contractor		Prime		
CMPA		URS		

*Every project undergoes a scope-to-budget process to validate the final scope of work.

**KEY FACTS**

Budget
\$4,591,811

Location
13755 South Main Street

BUTLER ATHLETIC COMPLEX

Butler Athletic Complex is a multipurpose facility including an 8,000-seat football stadium, baseball fields and a fieldhouse.


SCOPE OF WORK*

Regional field house(s) and athletic facility improvements.

PROJECT STATUS

Permit pending final health dept. approval. Target date: April 15.

INFORMATION

Indicator	ID	Project/School/Facility		Budget
	C-662	Butler Fieldhouse		\$4,591,811
	Target Construction Start		Target Construction Completion	
	4th Qtr. 2014		3rd Qtr. 2016	
	Phase		% of Phase	
	Construction Documents		100%	
Project Team				
Manager		Matisia Hollingsworth		
Architect		PBK Architects		
Contractor		Prime		
CMPA		URS		

*Every project undergoes a scope-to-budget process to validate the final scope of work.

**KEY FACTS**

Budget
\$35,278,934

Location
2020 Mangum Road

DELMAR FIELDHOUSE

Delmar Fieldhouse is a multipurpose facility including a 12,000-seat football stadium, baseball fields, and a fieldhouse.

SCOPE OF WORK*

Replacement of Regional field house(s) and athletic facility improvements.

PROJECT STATUS

Exterior CMU has commenced. Partial slab on grade has been poured. Underground utilities are ongoing. Area C steel has been delivered.

INFORMATION

Indicator	ID	Project/School/Facility		Budget
	C-663	Delmar Fieldhouse		\$35,278,934
	Target Construction Start		Target Construction Completion	
	4th Qtr. 2013		1st Qtr. 2016	
	Phase		% of Phase	
	Construction		17%	
Project Team				
Manager		Sizwe Lewis		
Architect		PBK Architects		
Contractor		DivisionOne Construction		
CMPA		Rice & Gardner Consultants, Inc.		

*Every project undergoes a scope-to-budget process to validate the final scope of work.



Business Assistance (M/WBE) Bond Report

Alexis Licata

General Manager, Business Assistance

4400 W. 18th Street, Level 1 South

Houston, Texas 77092

BusinessAssistance@HoustonISD.org

HISD WORKSHOPS

WORKSHOP WEDNESDAY

- January – *“New Year, New Numbers...Small Business Finance 101,”*
Presenter: Mitja M. Peterman, Regional Vice President of Primearica Advisors
- February – *“Tax Talk for Small Businesses,”* Presenter: David B. Kolts of CGMA
- March – *“Being Certified, Brings Success,”* Presenters: Kelly Knez, Client Engagement Manager with Kelly Mitchell

HISD EVENTS

HISD NETWORKING EVENTS

- Project Information Session with KBR Building Group for Sharpstown High School and Mickey Leland Young Men’s College Preparatory Academy

M/WBE OUTREACH EVENTS

GREATER HOUSTON BUSINESS PROCUREMENT FORUM

- Procurement Forum

HOUSTON HISPANIC CHAMBER OF COMMERCE

- Networking & Business Development Expo

HOUSTON MINORITY SUPPLIER DEVELOPMENT COUNCIL

- HMSDC Ignite Your Success, Procurement Round Table

SCORE EVENT

- *“How to Do Business Panel Discussion”* – Spring Branch

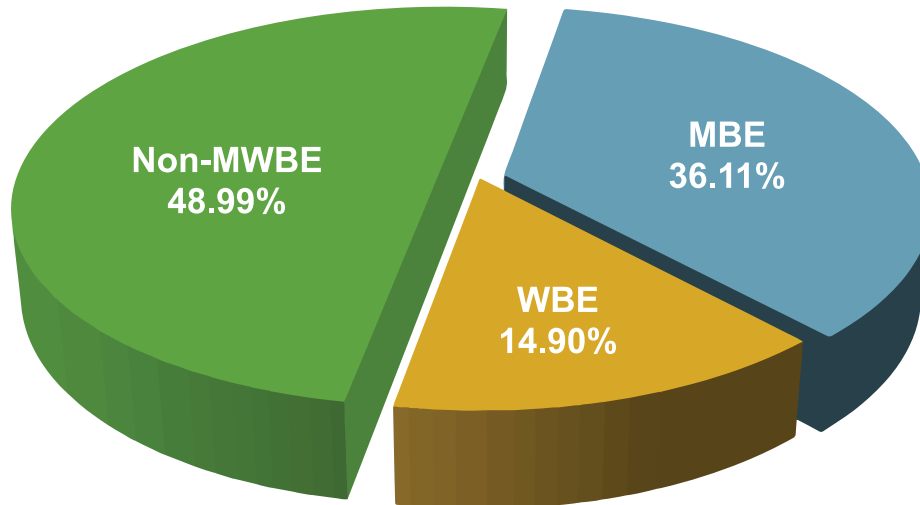
WOMEN’S CONTRACTOR’S ASSOCIATION

- March Networking Luncheon - *“Construction Forecast with Kiley Advisor”*

CERTIFIED MINORITY/WOMEN OWNED BUSINESSES BREAKDOWN BY PROJECT TYPE

Calculations based on numbers reported as of March 31, 2015.

2012 PROFESSIONAL SERVICES*



* Design and Program Management Firms

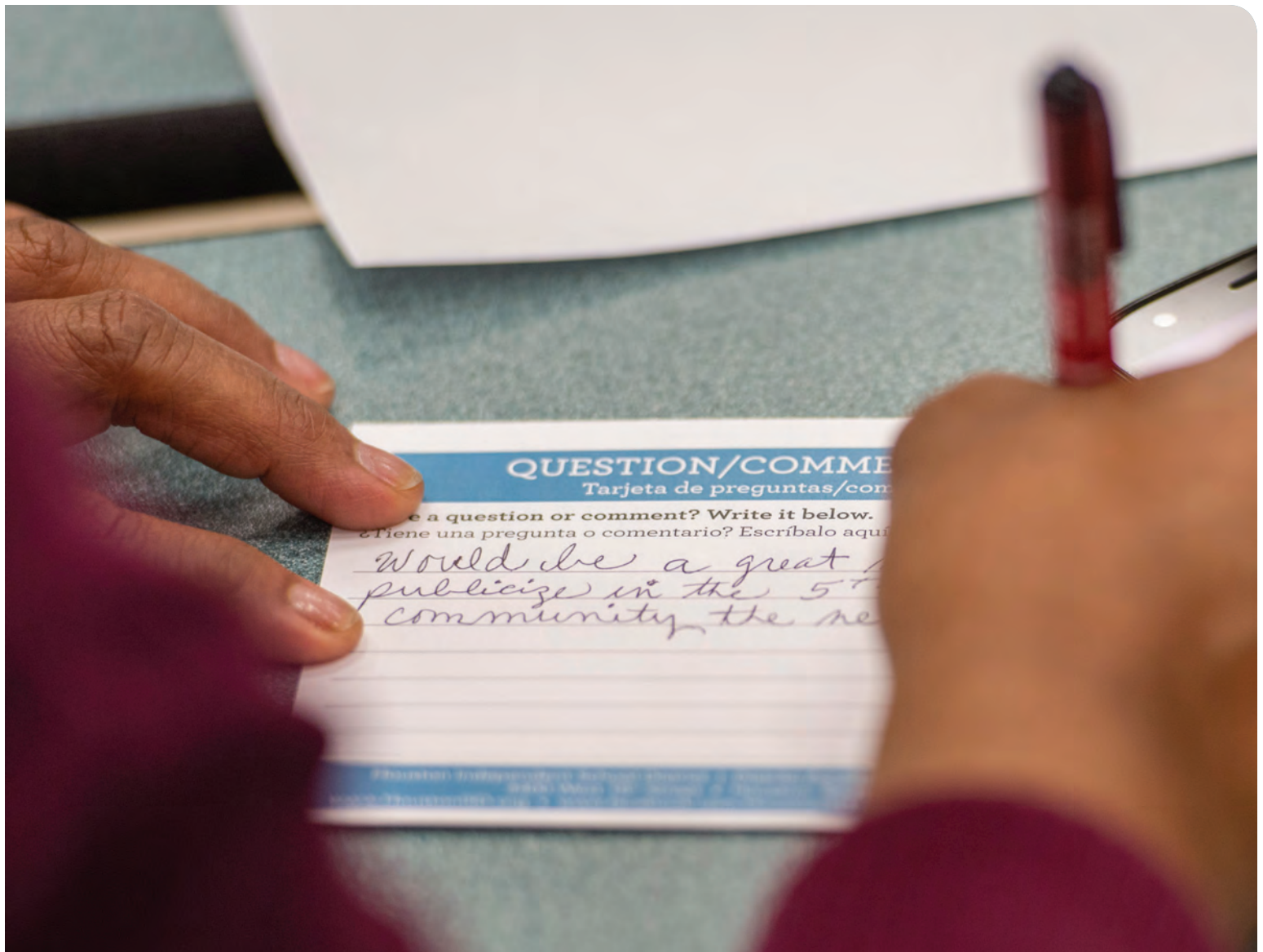
CERTIFIED MINORITY/WOMEN OWNED BUSINESSES BREAKDOWN BY PROJECT TYPE

Calculations based on numbers reported as of March 31, 2015.

2012 CMAR ASSIGNED PROJECTS*

Project	Awarded CMAR	M/WBE Commitment
Bellaire High School	Turner Construction Company	20%
Condit Elementary School	DivisionOne Const. LLC	30%
Davis High School	H. J. Russell & Company	100%
DeBakey High School	Tellepsen Builders, L. P.	20%
Delmar Tusa Fieldhouse	DivisionOne Const. LLC	30%
Dowling High School	Turner Const. Company	20%
Eastwood Academy	Comex Corporation	100%
Furr High School	KBR Building Group, LLC	30%
Grady Middle School	DivisionOne Const. LLC	30%
HS for Law Enf. & Crim. Justice	Balfour/3Ci a Joint Venture (B3Ci)	30%
HSPVA	Cadence McShane Const., LLC	21%
Lamar High School	Gilbane Building Company	30%
Lee High School	Satterfield & Pontikes Const., Inc.	20%
Mandarin Chinese Language Immersion	Satterfield & Pontikes Const., Inc.	20%
Mark White Elementary School	DivisionOne Construction LLC	30%
Mickey Leland College Prep. Academy	KBR Building Group, LLC	30%
Milby High School	Tellepsen Builders, L. P.	20%
North Forest Early Childhood Center	Drymalla Const. Company, Inc.	20%
North Forest High School	Balfour/3Ci a Joint Venture (B3Ci)	35%
North Houston Early College High School	Drymalla Const. Company, Inc.	20%
Parker Elementary School	Brae Burn Const. Company, LTD, LLP	25%
Sharpstown High School	KBR Building Group, LLC	30%
South Early College High School	Drymalla Const. Company, Inc.	20%
Sterling High School	Cadence McShane Const., LLC	21%
Waltrip High School	Satterfield & Pontikes Const., Inc.	20%
Washington High School	KBR Building Group, LLC	30%
Worthing High School	Balfour/3Ci a Joint Venture (B3Ci)	40%
Yates High School	Turner Construction Company	20%

*M/WBE Percentage reflects CMAR's commitment.



Bond Financial Reports

Sherrie Robinson
Controller

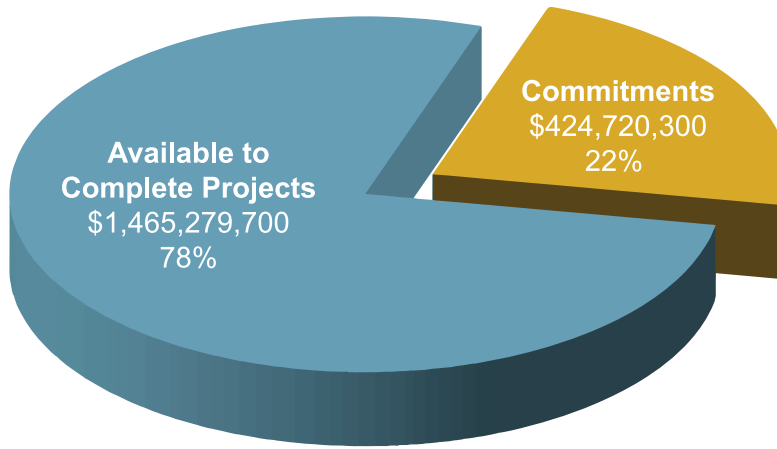
Office of the Controller, 3 Northeast
4400 W. 18th St.
Houston, Texas 77092

2012 BOND FINANCIAL REPORT

The total budget for the 2012 Bond Program, approved by voters in November 2012, is \$1.89 billion of which \$424,720,300 is committed including encumbrances of \$296,787,572 and actual expenditures of \$127,932,728) and \$1,465,279,700 is available to complete projects.

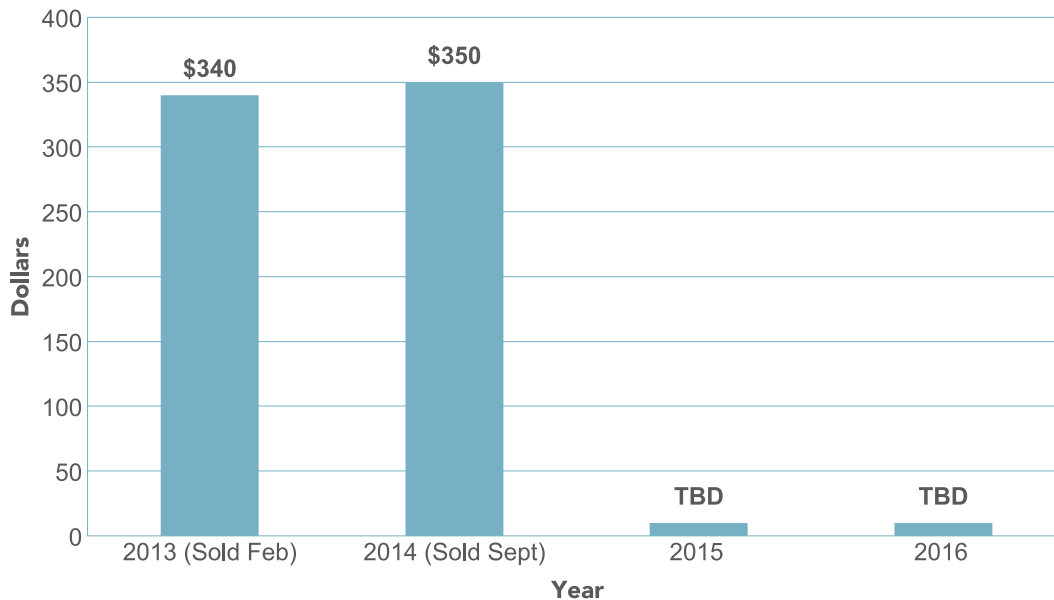
TOTAL BUDGET, COMMITMENTS & AVAILABLE FUNDING TO DATE

TOTAL BUDGET \$1.89 BILLION



TOTAL BOND REFERENDUM \$1.89 BILLION

(ISSUANCE SALES IN MILLIONS)





Project Budget/Commitment/ Available Funds Report

2012 Bond Financial Report

BOND FINANCIAL REPORT

Facilities Capital Program — Project Budget/Commitment/Available Funds Report As of March 31, 2015

		Total Plan	Program & Management Cost	Budget Plan	Pre-Encumb	Encumbrance	Actual	Available To Complete Projects
Org	Campus	\$	\$	\$	(\$)	(\$)	\$	\$
001	Austin H.S.	68,429,000.00	12,521,549.00	55,907,451.00		2,328,000.00		53,579,451.00
002	Bellaire H.S.	106,724,000.00	17,505,908.00	89,218,092.00		3,981,302.40	358,048.94	84,878,740.66
003	Davis H.S.	46,764,000.00	8,136,745.00	38,627,255.00		1,815,254.46	378,139.00	36,433,861.54
004	Furr H.S.	55,100,000.00	14,162,670.00	40,937,330.00		5,356,555.73	1,581,512.81	33,999,261.46
006	Jones H.S.	1,125,000.00	183,079.00	941,921.00				941,921.00
007	Kashmere H.S.	17,000,000.00	2,699,674.00	14,300,326.00		573,459.00	36,604.00	13,690,263.00
008	Lamar H.S.	107,974,000.00	19,068,281.00	88,905,719.00		3,605,692.25	508,712.88	84,791,313.87
009	Lee H.S.	73,801,000.00	14,200,756.00	59,600,244.00		2,937,525.84	1,877,985.16	54,784,733.00
010	Madison H.S.	82,736,000.00	17,478,349.00	65,257,651.00		2,904,746.00		62,352,905.00
011	Milby H.S.	68,810,000.00	6,037,857.05	62,772,142.95		53,838,807.81	8,172,012.99	761,322.15
014	Sterling H.S.	72,304,000.00	15,947,924.00	56,356,076.00		44,455,100.86	3,834,902.01	8,066,073.13
015	Waltrip H.S.	30,115,000.00	4,942,464.00	25,172,536.00		10,281,270.58	6,593,355.68	8,297,909.74
016	Washington H.S.	51,732,000.00	10,609,470.00	41,122,530.00		1,023,132.00	1,666,620.93	38,432,777.07
017	Westbury H.S.	40,006,000.00	7,451,439.00	32,554,561.00		1,336,710.00		31,217,851.00
019	Worthing H.S.	30,180,000.00	6,667,003.00	23,512,997.00		17,774,355.48	4,915,206.38	823,435.14
020	Yates H.S.	59,481,000.00	12,091,208.00	47,389,792.00		1,867,536.18	466,562.77	45,055,693.05
023	Sharpstown H.S.	54,944,000.00	8,083,451.00	46,860,549.00		1,709,983.53	1,598,291.28	43,552,274.19
024	Scarborough H.S.	12,566,000.00	2,852,007.00	9,713,993.00		435,996.50	5,295.50	9,272,701.00
025	HSVPA	80,178,000.00	14,457,761.00	65,720,239.00		6,009,263.72	2,413,595.92	57,297,379.36
026	DeBaKey H.S.	64,512,000.00	8,900,600.00	55,611,400.00		15,355,070.30	2,141,751.01	38,114,578.69
033	Jordan H.S.	36,693,000.00	7,142,414.00	29,550,586.00		1,281,075.00		28,269,511.00
068	Grady M.S.	14,825,000.00	2,099,915.00	12,725,085.00	630.00	10,521,131.01	1,560,707.27	642,616.72
075	Dowling M.S.	59,125,000.00	10,880,876.00	48,244,124.00		1,355,322.36	795,319.39	46,093,482.25
081	Sharpstown International	6,125,000.00	999,035.00	5,125,965.00		223,269.00	8,699.00	4,893,997.00
157	Garden Oaks K-8	26,678,000.00	5,154,463.00	21,523,537.00		958,342.00		20,565,195.00
215	Parker E.S.	29,485,000.00	5,144,750.00	24,340,250.00		975,156.70	258,971.73	23,106,121.57
218	Pilgrim K-8	7,989,000.00	1,598,840.00	6,390,160.00		301,746.73	50,905.15	6,037,508.12
256	Wharton Dual Language	35,603,000.00	9,075,230.00	26,527,770.00		1,135,716.00		25,392,054.00
259	Wilson Montessori	18,914,000.00	1,063,810.00	17,850,190.00		769,864.00		17,080,326.00
274	Askew E.S.	26,632,000.00	4,749,517.00	21,882,483.00		1,018,015.00		20,864,468.00
301	Eastwood Academy	10,875,000.00	3,372,800.00	7,502,200.00		273,808.00	116,066.75	7,112,325.25
308	North Houston EC HS	13,500,000.00	3,091,000.00	10,409,000.00		3,268,851.99	968,866.96	6,171,281.05
310	Sam Houston HS	101,428,000.00	18,380,687.00	83,047,313.00		3,628,849.00		79,418,464.00
458	Young Men's	28,675,000.00	5,851,349.00	22,823,651.00		801,635.93	2,409,434.67	19,612,580.40
460	Mandarin Chinese K-8	32,161,000.00	2,679,165.00	29,481,835.00		25,438,652.76	1,484,101.87	2,559,080.37
463	Young Women's	27,159,000.00	4,674,269.00	22,484,731.00		1,003,956.00	54,691.00	21,426,084.00
483	West Side Relief E.S.	23,417,000.00	3,872,414.00	19,544,586.00		937,221.89	741,504.05	17,865,860.06
486	S. Early College HS	13,500,000.00	319,736.25	13,180,263.75		11,871,287.09	734,214.85	574,761.81
660	School Athletics	44,675,000.00	6,978,062.00	37,696,938.00		9,029,928.55	6,231,451.70	22,435,557.75
	TOTAL CAMPUSES	1,681,940,000.00	301,126,527.30	1,380,813,472.70	630.00	252,383,591.65	51,963,531.65	1,076,465,719.40
	Middle School Restrooms	35,000,000.00		35,000,000.00		2,948,006.94	3,514,512.26	28,537,480.80
	District-wide Technology	100,000,000.00		100,000,000.00	755,043.39	6,182,645.05	4,945,998.79	88,116,312.77
	District-wide Safety & Security	17,293,000.00		17,293,000.00	517,637.18	2,811,240.13	2,885,669.41	11,078,453.28
	Land	55,767,000.00		55,767,000.00		1,042,643.31	40,199,963.56	14,524,393.13
	Program & Management Cost			301,126,527.30	888.90	30,145,245.75	24,423,051.87	246,557,340.78
GRAND TOTAL		1,890,000,000.00		1,890,000,000.00	1,274,199.47	295,513,372.83	127,932,727.54	1,465,279,700.16

Report Descriptions

PROJECT BUDGET/COMMITMENT/AVAILABLE FUNDS REPORT

COLUMN 1

Org (Organization)

Represents the Texas Education Agency (TEA) number assigned to the school or non-school facility.

COLUMN 2

Campus

The school name or non-school facility name – also referred to as "Project."

COLUMN 3

Total

The total budget allocated to construct the Project, which includes the CMPA fee.

COLUMN 4

CMPA (Construction Manager Program Administrator) Fees

Fee charged by the external management firms.

COLUMN 5

Budget

Represents the project budget maintained in the district's accounting system — also referred to as "Budget."

COLUMN 6

Pre-Encumbrance

Requisitions (request to buy) that have been entered into the accounting system and are pending approval/authorization to convert to a purchase order.

COLUMN 7

Encumbrance

Purchase order – also referred to as "commitment."

COLUMN 8

Actual

Represents total expenditures paid.

COLUMN 9

Available

Uncommitted funds (the difference between the budget less pre-encumbrance less encumbrance less actual).



Bond Communications Report

Sylvia Wood

General Manager, Business & Bond Communications

4400 W. 18th Street, 1NW23

Houston, Texas 77092

Bond@HoustonISD.org

EXECUTIVE SUMMARY

During the first quarter of 2015, the communications team distributed timely and accurate information about the bond program through web updates, eNews articles, parent letters, email blasts, school community meetings, fliers, community outreach events, social media, videos, and blog posts.

The communications team provided support to Sharpstown High School for its groundbreaking ceremony on Feb. 7, including advising on timeline, planning, logistics, programs, invitations, scripts and remarks for the trustee, SSO and others. The team also provided a photographer, coverage for the day of the event, and technical support for audio equipment as needed. The team provided assistance and coverage for the March 4 community meeting for Mickey Leland College Prep Academy for Young Men. That school will hold its groundbreaking ceremony on April 16.

Community meetings have been scheduled for Lamar HS and Parker ES, with more meetings to be scheduled going forward to keep communities updated on bond projects.

Communications staff members are regularly attending Project Advisory Team meetings, primarily for schools in Group 1, to assess communications needs for individual school communities. That effort remains underway and over the first quarter has resulted in parent update letters for Askew ES, Condit ES, Furr HS, HSLECJ, Lamar HS, and Lee HS.

Other updates include:

- The communications team supported the district's annual State of the Schools event on Feb. 2, which included displaying project boards for all Group 1 and Group 2 schools. PAT members for each school manned the boards, answering questions and engaging attendees about the projects.
- A budget presentation was created and distributed to present to all PATs to help them better understand the budget and challenges posed by the current economy.
- Projects pages on the bond website are being updated to reflect dynamic changes in project schedules and to conform to updated district branding.
- Additionally – on the first Tuesday of February and March – the bond eNewsletter, *Building Excellence*, was sent to more than 3,000 registered subscribers.

Milestones during the first quarter:

- 16 web stories/blog entries
- 3 press releases
- 5 videos
- 1 community meeting
- 1 groundbreaking
- More than 25 Twitter or Facebook posts highlighting bond activities

RECENT ACCOMPLISHMENTS

BUSINESS OUTREACH

How to Do Business with HISD/Supplier Diversity

- Provided coverage of pre-bid construction meetings for Waltrip HS, Lee HS and HSPVA. Emphasized the importance of M/WBE participation in all communications.
- Provided HoustonISD.org coverage of Workshop Wednesdays to help M/WBEs learn business strategies to assist in marketing their businesses and becoming certified.
- Featured profile on minority or women-owned companies that do business with HISD that runs on the district's news blog.

MEDIA RELATIONS

Press releases/media advisories

02-06-2015 Sharpstown HS to hold groundbreaking ceremony

02-12-2015 HISD Board of Education to consider comprehensive, district-wide facilities assessment

02-12-2015 HISD Board of Education approves comprehensive, district-wide facilities assessment

HOUSTONISD.ORG COVERAGE

Web stories/blog entries

01-09-2015 Celebrations mark beginning of construction for 2012 bond projects

01-15-2015 Cadence McShane Construction holds pre-bid meeting to discuss HSPVA project

01-23-2015 Spiking construction costs create challenges for bond program

01-27-2015 Bond Oversight Committee gets update on bond construction

02-02-2015 Project Advisory Teams tour 4 innovative schools in D.C. area

02-09-2015 Sharpstown HS breaks ground for new school

02-09-2015 Workshop Wednesday attendees hear money-saving tax tips

02-12-2015 Building projects on display at State of the Schools

02-16-2015 HISD given go-ahead for Washington HS neighborhood demolition project

03-05-2015 Mickey Leland College Prep stakeholders briefed on plans for new school

03-06-2015 Certification brings success to companies that do business with HISD

03-09-2015 Construction ramps up at Sterling HS and other Group 1 schools

03-10-2015 Condit ES project moving forward into next phase of construction

03-11-2015 HISD finalizes property purchase for new High School for Law and Justice

03-13-2015 Contractor for Waltrip and Lee high schools holds pre-bid meeting

03-13-2015 Demolition in progress near Washington HS

Videos

01-07-2015 HSPVA breaks ground for new campus

01-08-2015 Milby HS celebrates groundbreaking for new building

01-13-2015 Breaking ground and celebrating the new DeBakey High School

02-12-2015 Sharpstown High School's Groundbreaking Ceremony

03-11-2015 HISD Communities visit Washington, D.C. schools

COMMUNITY AND SCHOOL OUTREACH

PROJECT ADVISORY TEAMS

- In the first quarter of 2015, conducted 101 Project Advisory Team meetings.

COMMUNITY MEETINGS

- Held 1 community meeting for Mickey Leland College Prep Academy for Young Men.

BOND OVERSIGHT COMMITTEE

- Produced, designed, edited, and distributed handbooks for members

COMMUNITY ENGAGEMENT

- Continued monthly production of the eNewsletter on bond activities, titled *Building Excellence*. The March 2015 issue was the 24th installment of the award-winning newsletter, with more than 3,000 subscribers to date.
- Continue to monitor and respond to requests for information and questions submitted to BondInfo@HoustonISD.org.
- Produced and distributed fliers, callout scripts for principals and letters to principals ahead of community meetings and groundbreakings.
- Attended PAT meetings to assist with communications needs, including parent update letters for Askew, Condit, Furr, Lamar and Lee.

PRESS COVERAGE

01-01-2015	<i>Houston Chronicle</i>	Worthing project back on track after delays, lawsuits
01-09-2015	<i>The Business Journals</i>	HISD plans new aviation high school
01-14-2015	<i>School Construction News</i>	7 Houston Schools Break Ground
01-15-2015	<i>Houston Chronicle</i>	HISD rejects plan to take complex near Westbury High http://www.chron.com ,
01-22-2015	<i>Houston Chronicle</i>	Neighborhood a battered ghost town waiting for new 'Booker T'
01-30-2015	<i>Houston Chronicle</i>	School building projects in limbo with uncertain market
02-02-2015	<i>Houston Chronicle</i>	Houston ISD plays waiting game with construction projects
02-12-2015	<i>Off The Kuff</i>	A slowdown in construction would be good for school districts
03-11-2015	<i>abc 13</i>	HISD completes land purchase for new law and justice school

TWITTER

01-26-2015	Spiking construction costs are creating challenges for #HISD's bond program.
01-29-2015	Say goodbye to the orange panels at Waltrip HS! The building is getting a makeover!
02-03-2015	This month, Building Excellence features groundbreaking ceremonies across HISD as new schools get underway.
02-06-2015	We're breaking ground on the new Sharpstown High School tomorrow at 7504 Bissonnet at 10 a.m. Join us!
02-07-2015	Apollo Pride on display at Sharpstown High School groundbreaking ceremony! #HISD #2012bond
02-07-2015	Beautiful day at Sharpstown High School groundbreaking Together we can-whatever it takes-no excuses! #2012bond #HISD
02-07-2015	Sharpstown High School community is breaking ground on their new 21st century school! #2012bond #HISD
02-09-2015	Sharpstown HS broke ground on their new campus on Saturday! See photos and learn more:
02-11-2015	Stakeholders from @WaltripRam @MilbyHighSch check out plans for bond projects at their schools at #HISDSOTS

02-11-2015	Bond program breaks new ground on community collaborations http://www.HoustonISD.org/Bond #HISDSOTS
02-12-2015	The \$8 million is in addition to \$40 million budgeted for partial replacement/general renovations at @WestburyRebels as part of 2012 bond.
03-06-2015	Find out the latest info about the plans for Mickey Leland College Prep Academy's new campus!
03-09-2015	There's a ton of work going on at the site of the new Sterling HS! Latest info, see photos:
03-11-2015	What's going on at the construction site for the new @ConditES? Here's the latest info
03-11-2015	DONE DEAL! HISD has completed the purchase of the land where the new @HSLECJ will be built.

FACEBOOK

01-26-2015	Spiking construction costs are creating challenges for HISD's bond program. The growth in the energy sector over the past few years has brought an influx of commercial construction projects to the area, along with a huge demand for workers and materials, such as steel and concrete.
01-29-2015	If you've driven by Waltrip HS recently, you probably noticed the orange metal panels, which date back to 1959, are on their way out.
02-04-2015	Find out about groundbreaking ceremonies across the district, complete with photos and video, in this month's edition of Building Excellence. And don't forget to subscribe!
02-06-2015	We're breaking ground on the new Sharpstown High School tomorrow! We'd love for you to join us at 7504 Bissonnet St. 10 a.m.!
02-09-2015	A groundbreaking ceremony for the new Sharpstown HS was held on Feb. 7. See photos from the event.
03-06-2015	Have you heard the latest about the plans for the Mickey Leland College Prep Academy's new campus? Get the update here!
03-09-2015	The building site at Sterling High School is buzzing with activity these days as construction is progressing on the school's new 21st century building!
03-11-2015	Construction workers are very busy at the site for the new Condit Elementary! Find out what's already been done and what will happen in the coming weeks.
03-12-2015	DONE DEAL! The land where the new High School for Law and Justice campus officially belongs to HISD.



Glossary

Glossary

GLOSSARY OF TERMS

BAS

Building Automation System (HVAC and lighting controls)

Change order

A modification to the original construction contract authorizing a change in the work or an adjustment in the amount of the contract or the contract time. The original contract price may not be increased by more than 25% by change order.

Competitive Bidding

A procurement method by which a governmental entity contracts with a contractor for the construction, alteration, rehabilitation, or repair of a facility by awarding the contract to the lowest responsible bidder.

Competitive Sealed Proposal (CSP)

A procurement method by which a governmental entity may request proposals and pricing information based on the scope of work provided, rank the offers, negotiate a contract, and then award the project to the contractor that offers the best value to the entity.

Construction commissioning

A collaborative process whose purpose is to ensure that buildings and systems perform according to contract.

Commissioning agent

An independent party, unaffiliated with the design team or contractors, that takes charge of the construction commissioning process.

Construction documents

Extremely detailed drawings and specifications showing and describing all of the details required to construct the building.

Construction Manager at Risk (CMAR)

A construction delivery method by which a governmental entity contracts with an architect or engineer for design and construction phase services and contracts separately with a construction manager-at-risk to serve as the general contractor and to provide consultation during the design and construction, rehabilitation, alteration, or repair of a facility. A CMAR is selected based upon qualifications and price proposal that would provide the best value for the governmental entity.

Daylighting

A planned energy conservation strategy that utilizes illumination from sunlight.

Design development

Process in which schematic design drawings are further developed to include more detail, including: detailed site plan; room layouts; door and window types; interior and exterior elevations; reflected ceiling plans; plumbing, mechanical, structural, and electrical drawings; and kitchen layouts.

Design team

A group of professionals from architectural and engineering firms that is engaged to design a facility.

Educational Specifications

A document that details the number of rooms required, the size of each room, how those rooms should relate to each other (adjacencies), and the elements (sinks, electrical outlets, markerboards, cabinets, etc.) that should be included in each room. Districtwide Educational Specifications will be adapted for the specific needs of the campus.

Encumbrance Accounting

The recognition of commitments that will subsequently become expenditures when goods and services are received.

FF&E

Furniture, fixtures, and equipment. This describes all contents that are not a permanent part of the structure.

Hard costs

Expenses associated with direct construction of a project.

HVAC

Heating, ventilation, and air-conditioning

Job Order Contract (JOC)

A procurement method used for maintenance, repair, alteration, renovation, remediation, or minor construction of a facility when the work is of a recurring nature, but the delivery times, type, and quantities of work required are indefinite.

Leadership in Energy and Environmental Design (LEED)

A building certification process developed by the U.S. Green Building Council (USGBC) to enhance environmental awareness among architects and building contractors and to encourage the design and construction of energy-efficient, water-conserving buildings that use sustainable or green resources and materials.

MEP

Mechanical/electrical and plumbing systems.

Program or Concept design

Single-line drawings that illustrate room adjacencies and scale

Public Facility Corporation

The PFC is a non-profit corporation, the creation of which was sponsored by the District pursuant to the Public Facility Corporation Act. The Public Facility Corporation act authorizes the creation and utilization of school district public facility corporations to issue bonds for capital renovation programs. The Houston Independent School District Public Facility Corporation (HISD-PFC) has utilized this structure to issue \$48M for four of the news schools in the 2007 Facilities Capital Program (FCP).

Schedule of values

An itemization of costs that comprises the entire contract amount.

Schematic Design

Typically includes a simple site plan, floor plans, simple building cross-sections, an outline specification with general information about building systems, a table comparing required square footages from the educational specifications with actual square footages shown on the drawings, a preliminary estimate of cost options, and three-dimensional depictions of the exterior of the building.

Schedule of values

An itemization of costs that comprises the entire contract amount.

Scope-to-Budge

An analytical review conducted by the architectural/engineering team to ensure the proposed scope of work and project requirements are aligned with the established construction budget. The approved findings from this review become the basis for the design and preparation of the construction documents.

Schematic Design

The schematic design submission typically includes a simple site plan, floor plans (simple scale drawings that show room sizes, relationships, doors, and windows), simple building cross sections, an outline specification with general information about building systems, a table comparing required square footages from the educational specifications with actual square footages shown on the drawings, a preliminary estimate of cost options, and possibly 3-dimensional depictions of the exterior of the building

Soft costs

A construction industry term, but more specifically a contractor accounting term for an expense item that is not considered direct construction cost. Soft costs include architectural, engineering, financing, legal fees, and other pre- and post-construction expenses.

Swing space

A school building or a portion of an existing school building or other facility that will house the student population and its teachers and staff during the school-construction process.



Audit Reports

Richard Patton
Chief Audit Executive
4400 W. 18th Street,
Houston, Texas 77092
rpatton@HoustonISD.org





HOUSTON INDEPENDENT SCHOOL DISTRICT

HATTIE MAE WHITE EDUCATIONAL SUPPORT CENTER
4400 WEST 18th STREET • HOUSTON, TEXAS 77092-8501

RICHARD A. PATTON, CPA, CFE
Chief Audit Executive
Tel: 713-556-7500 • Fax: 713-556-6374

www.Houstonisd.org
[www.twitter.com/HoustonISD](https://twitter.com/HoustonISD)

April 17, 2015

Members of the HISD Bond Program Oversight Committee,

In accordance with the Bond Program Oversight Committee Charter, the Office of Internal Audit conducts operational and compliance audits based on the assessment of risks within the bond programs. Currently, the Internal Audit Department is working with HISD administration and the HISD Board Audit Committee on an Enterprise Risk Assessment that will assist in updating the 2015 calendar year audit plan and development of the 2016 calendar year audit plan. We always welcome input and suggestions from members of the Oversight Committee at any time during the year.

As of April 15, 2015, internal audit has conducted the following audit projects pertaining to the 2012 Bond Program.

- Program Manager Selection Process for the 2012 Bond Program
- Construction Manager at Risk Selection Process for the 2012 HISD Facilities Capital Program
- Architect/Engineering Firm Selection Process for the 2012 Bond Program "Group One" and "Group Two" Projects

The attached audit reports contain findings, recommendations, and management's action plan. This information will be included on the HISD website for public viewing. Internal audit staff will be in attendance at the Oversight Committee meeting scheduled for Tuesday, April 28, 2015, to answer any questions. Alternatively, you may call John Gerwin at 713-556-9372 or me at 713-556-7500.

Sincerely,

A handwritten signature in blue ink that reads "Richard Patton".

Richard Patton
Chief Audit Executive

Attachments



OFFICE OF INTERNAL AUDIT

Internal Audit Report
Review of the Program Manager Selection Process for the 2012 Bond Program

Robert Sands, Officer, CFS

Issue Date:
02/19/2015

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Executive Summary

Background

The Internal Audit Department reviewed the process that was used to select the project management firms (PM Firms) hired by the district to manage portions of the 2012 Bond Program that is currently underway. Listed below is a timeline of the selection process.

On February 01, 2013, Construction and Facility Services (CFS) established a committee to select project management firms for the 2012 Bond Program. The committee consisted of six voting members and four non-voting or advisory members whose names are listed below:

Voting Members

Mr. Robert Sands – CFS
Ms. Sue Robertson – CFS
Mr. Dan Bankhead – CFS
Mr. Dillon Brady – CFS
Ms. Alexis Licata – Office of Business Assistance
Mr. Mark Miranda – Office of Business Operations

Non-Voting and Advisory Members

Mr. Leo Bobadilla – Office of Business Operations
Mr. Elvis Eaglin – Sr. Procurement Manager
Mr. William Earl Findlay – Senior Sourcing Specialist
Ms. Sandy Hellums-Gomez – Attorney, Thompson & Horton LLP

A Request for Qualifications (RFQ) document was created and reviewed by the committee on at least two occasions. On February 26, 2013, the RFQ was issued. The RFQ included the following detailed requirements:

- I. Instructions Submission Requirements and Procedures.
- II. General Terms and Conditions.
- III. Scope of Work and Specific Conditions.
- IV. (Required) Forms.

Three Addenda to the RFQ were issued on March 5, 2013. The first contained answers to questions submitted to the Procurement Officer prior to the Pre-Bid Conference. The second was a list of attendees at the Pre-Bid Conference, and the third contained answers to questions raised at the Pre-Bid Conference which was held at 2:00 P.M. on March 5, 2013.

The submission deadline for Statements of Qualifications (SOQs) was March 19, 2013 at 2:00 P.M.

Nineteen SOQ packages were received for review.

February 19, 2015

On April 2, 2013, the committee met to review and discuss the submittals and develop a short list to invite for interviews. Of the nineteen submitting firms, seventeen were eventually invited to interview on the following dates.

On April 9, 2013, six firms were invited to interview. Upon conclusion of the interviews, the committee decided to conduct additional interviews.

On April 16, 2013, seven additional firms were invited for interviews. Upon conclusion of the interviews, the committee decided to conduct additional interviews.

On April 24, 2013, four additional firms were invited for interviews.

According to the time line in the file written by the Procurement Officer, after the three rounds of interviews, the following took place.

“The committee met after the final round of interviews on 4/24/2013 and reviewed/discussed SOQ submittals, experience performing related service, references, and interview presentations and responses.”

“The committee met on 5/1/2013 to continue discussions regarding firms. The committee reviewed additional recommendation follow-ups and prior program management experience.”

“The committee met on 5/7/2013 to finalize selection and discuss potential project assignments. The committee unanimously decided to recommend to the Board the following companies below (listed on the attachment to Board Item G-2) to provide Program Management Services. (The committee’s recommendations) were the best qualified companies based on SOQ submittals, experience performing related service, references, and interview presentations and responses.”

The following five firms were listed on the attachment to Board Item G-2, and were awarded contracts: Heery International, Inc., Jacobs Project Management Co., Kwame Building Group, Inc., Rice and Gardner Consultants, Inc., and URS Corporation.

Audit Scope

This audit was performed in accordance with the Institute of Internal Auditors (IIA) International Auditing Standards. It contained a review of the Procurement Files for Project 13-02-01CS “Program Management Services for the HISD Facilities Capital Program” as well as interviews with the Officer of Construction and Facilities Services, the Director of Business Operations, the Procurement Officer in charge of the project, and the outside attorney who advised on the process.

Documents reviewed included but were not limited to: Copies of the Request for Qualifications (RFQ) and the 3 Addenda; the Statements of Qualifications (SOQs) and financial statements submitted by each firm; references for each firm and notes taken during evaluation process and during the oral presentations; notes on the process timeline; as well as other schedules and exhibits written by the Procurement Officer.

Audit Objectives

The objectives were to review the internal operating procedures used by the Procurement Department and Construction and Facilities Services during the selection process for the project management (PM) firms in order to assess the adequacy of district oversight for this process. The following attributes were evaluated:

- Determine that the steps of the RFQ selection process were properly established, described, and carried out in accordance with the process requirements, district policy and state law.
- Determine if the process was adequately documented.
- Review the procurement process for:
 - Evidence of advertising.
 - Timely submission of the SOQs.
 - Adherence to the Code of Silence.
 - Evidence that the evaluation criteria were predetermined and used in the process.
 - Evidence that each submitting firm was properly evaluated.
 - Evidence that a financial evaluation was performed on each firm.
 - Evidence that each awarded firm carried adequate Insurance coverage.

Overall Conclusion

Based on the documentation on file in Procurement and interviews of district personnel and the attorney who observed the process, Internal Audit found that the PM selection process to have been well organized and well documented.

- The RFQ was advertised in compliance with the Texas Government Code.
- All 19 SOQ's were found to have been submitted timely.
- Code of Silence Confidentiality Agreements were executed for each committee member.

For future professional services selection processes, noted recommended areas for improvement include:

- Ensuring that the evaluation sheets are signed by the individual completing them.

Review of the Program Manager Selection Process for the 2012 Bond Program

February 19, 2015

- Including notes for all listed criteria on the evaluation sheets in order to demonstrate that each SOQ was evaluated for all criteria. (Procurement adopted this policy on subsequent evaluation processes.)
- Ranking the evaluated firms based on the strength of their qualifications and holding negotiations in order of rank in accordance with the Texas Government Code.
- Performing financial evaluations of prospective firms to ensure they have the financial capability to perform the work in accordance with the requirement in the RFQ.
- Ensuring that the insurance coverage for each PM firm is in compliance with the recommendations made by Risk Management.
- Ensuring the insurance certificates provided during future contracting processes are reviewed by Risk Management for compliance with the contractual terms before each contract is executed.

Auditor:

John M. Gerwin – Construction Audit Manager

JG/tl

Approved:

Richard Patton – Chief Audit Executive, Office of Internal Audit

Attachment – Report Detail

Exhibit A – Risk Management Report

cc: Terry Grier w/o Attachment and Exhibit
Leo Bobadilla w/o Attachment and Exhibit
Juliet Stipeche w/o Attachment and Exhibit
Anna Eastman w/o Attachment and Exhibit
Manuel Rodriguez w/o Attachment and Exhibit

Attachment

Report Detail

In order to determine the adequacy of the selection process for the PM firms, Internal Audit reviewed the PM firm selection process based on the Procurement files for Project 13-02-01CS. In addition, it conducted interviews with the Officer of Construction and Facilities Services, the Director of Business Operations, and the Procurement Officer in charge, personnel in the Accounting and Risk Management departments, and the outside attorney selected to advise on the process. Based on the interviews and the documentation on file, Internal Audit reviewed the process for compliance with the following key control points.

Evidence that the RFQ was properly advertised in accordance with State Law – Internal Audit obtained and reviewed copies of the Houston Chronicle advertising confirmation documents including the text of the ad itself, which lists “*Publish Dates: 2/23/2013 – 3/9/2013.*” The advertisement was in compliance with Sec. 271.025 of the Texas Government Code.

Evidence that the SOQs were submitted timely in accordance with the RFQ – Internal Audit obtained and reviewed copies of the Time/Date stamps issued by HISD Board Services. Each time date stamp is affixed to either an address label or a binder cover, and all list the firm name and reference RFQ #13-02-01CS. All submittals were submitted timely before March 19, 2013 at 2:00 PM as required by the RFQ.

Evidence of compliance with the HISD Code of Silence – The instructions in the RFQ state that the terms of the HISD “Code of Silence” as addressed in Board Policy (CAA Local) and (BBFA Local) will be in effect from the time the RFQ is issued, through the execution of the agreement(s). Internal Audit noted that the Procurement Officer had each voting, non-voting and advisory committee member outside of the Procurement Department, sign a Confidentiality Agreement addressing the Code of Silence Policy. The forms were signed on February 1, 2013, the day the committee was formed, which was well in advance of the issuance of the RFQ on February 26, 2013. Copies of those agreements were obtained and reviewed.

Evidence that the evaluation criteria were predetermined and used in the process – The RFQ contained the evaluation criteria listed below. A brief summary of the requirements follows each criteria.

Executive Summary – Includes requiring administrative information as well as a summary of the respondent’s qualifications.

Corporate Background and Experience – Includes requiring a brief history of the company, corporate structure, years in business, years in managing K-12 projects. Also included is a discussion of prior experience on similar programs, with an emphasis on experience with school districts of comparable size and diversity and references.

Proposed Project Staff – Includes requiring detailed background information on proposed key staff members, including education, training, technical and functional experience, specific names and dates of employers, relevant and related experience on past projects, certifications, licenses and references.

Approach and Methodology – Requires the respondent to demonstrate how their response best fits HISD's needs. Describe their approach to defining necessary tasks and services necessary to meet the requirements and complete the projects outlined. Describe their approach to project management and quality assurance. Provide a detailed project work plan which reflects approach and methodology, necessary tasks and services, deliverables, timetables, staffing, and safety methodology.

MWBE Participation – Requires the respondent to submit an M/WBE plan, which lists existing and proposed participation commitments.

Oral Presentation (IF APPLICABLE – AT HISD's OPTION)

- *Response to Committee Questions*
- *Summary of Qualifications*
- *Presentation Materials and Visuals*

This criteria was added to give weight to the respondents' presentations if the district determined that they were necessary.

*It should be noted that the first five criteria are actually the titles of paragraphs in the submission requirements for "Firm Profile and Relevant Experience", which are spelled out in detail in the RFQ.

For the actual evaluation process, a form was developed which listed the following criteria, which were broken into sub-criteria, and contained a column for notes/comments.

FIRM EXPERIENCE AND QUALIFICATIONS

- *Match of Experience to Project(s)*
- *Firm work capacity related to Project size*
- *Firm Years in Business*
- *LEED Success*

STAFF PROJECT MANAGER EXPERIENCE AND QUALIFICATIONS

- *Match of Experience to Project(s)*
- *LEED Experience*
- *Experience with Phased School Projects*

PAST PERFORMANCE AS EVALUATED BY CLIENTS/OWNERS

- *Past Performance on all K-12 and Community College Educational Projects*

QUALITY OF SERVICES

- *Budget Adherence*
- *Schedule Adherence*
- *Standards Adherence*

- *Reporting and Communication*

PROPOSED TEAM OF CONSULTANTS

- *Prior Experience as a Team*
- *Qualifications of Proposed Consultants*

M/WBE PLAN

- *Completion of M/WBE Plan and Good Faith Effort*

ORAL PRESENTATION OF APPLICABLE – HISD OPTION

- *Response to Committee Questions*
- *Summary of Qualifications*
- *Presentation Materials and Visuals*

A review of the RFQ and the evaluation form indicated that the criteria used in the actual evaluations were consistent with the requirements listed in the “Firm Profile and Relevant Experience” section of the RFQ.

Evidence that each firm was evaluated – A single set of evaluation forms completed by the same individual were found for each of the 19 firms in the Procurement files. Although the evaluation forms include a space for the evaluator's name, they were all unsigned. The Procurement Officer in charge stated that the forms were completed by the attorney for Thompson and Horton, LLC, who was acting in an advisory capacity. Although each firm has a completed evaluation form on file, which is supported by additional hand written notes, none of the forms have notes/comments completed for all of the criteria, which gives the reader the impression that the criteria without notes were not addressed. According to the Procurement Officer assigned to CFS, they learned lessons from this process and during the first A/E selection process, and stated that in later professional services selection processes, notes are now included on each set of evaluation forms for all listed criteria.

There is no evidence in the Procurement files indicating whether each firm was ranked starting with the most qualified firm, in accordance with the Texas Government Code, to determine the order of negotiations. The existence of the evaluation notes and reference questionnaires indicate that an evaluation process took place, and the notes indicate why each firm was selected or eliminated, but the firms were not ranked. In selecting a firm or firms to perform professional services, The Texas Government Code requires that each firm be ranked during the evaluation process in order to determine the order of negotiations as stated below:

2269.207. Selection of Construction Manager-agent

A governmental entity shall select a construction manager-agent on the basis of demonstrated competence and qualifications in the same manner that an architect or engineer is selected under Section 2254.004.

2254.004. Contract for Professional Services of Architect, Engineer, or Surveyor

(a) In procuring architectural, engineering, or land surveying services, a governmental entity shall:

- (1) first select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications; and*
- (2) then attempt to negotiate with that provider a contract at a fair and reasonable price.*
- (b) If a satisfactory contract cannot be negotiated with the most highly qualified provider of architectural, engineering, or land surveying services, the entity shall:*
 - (1) formally end negotiations with that provider;*
 - (2) select the next most highly qualified provider; and*
 - (3) attempt to negotiate a contract with that provider at a fair and reasonable price.*
- (c) The entity shall continue the process described in Subsection (b) to select and negotiate with providers until a contract is entered into.*

Added by Acts 1993, 73rd, Leg., ch. 268, 1, eff. Sept. 1, 1993. Amended by Acts 1997, 75th Leg., ch. 119, 1, eff. Sept. 1, 1997.

As addressed in Section 2254.004 of the Texas Government Code, each firm should have been ranked, based on their qualifications beginning with the most highly qualified firm. Accordingly, the negotiation process should have been held in the order of ranking beginning with the most highly qualified firm. Interviews with the Procurement Officer, the Officer of Construction and Facility Services, the Director of Business Operations, and the attorney all indicated that the committee came to unanimous decisions on each of the five selected firms, and the firms were not ranked against each other.

Since the five originally selected firms were awarded contracts, a case can be made that the lack of ranking the firms did not impact the process; however, had the negotiations been unsuccessful for one or more of the original five firms, CFS would have had to have known which firms ranked sixth, seventh, etc. in order to complete their goal of employing five firms under the Texas Government Code.

Recommendation

CFS should ensure that all evaluation forms completed during procurement selection processes are signed by the individual completing them. In addition, CFS should continue the practice of keeping detailed notes on each firm for each of the criteria as evidence that each criteria was considered during the evaluation of each firm.

To ensure compliance with the Texas Government Code, when procuring Professional Services in the future, CFS should ensure that it ranks a sufficient number of firms beginning with the most highly qualified firm and conduct negotiations accordingly. In the event that an agreement cannot be reached with a particular firm, CFS will already know the next most qualified firm.

Management Response

"We actually evaluated all of the firms based on all of the criteria as noted in the notes by outside council and determined to choose five firms who would provide the best value to the district. We determined as a collective group the notes would indicate our evidence to our ranking. In the future we will be clearer in our ranking system. We don't anticipate interviewing any more Program Manager Firms for the 2012 Bond."

Evidence that financial evaluations were performed – The RFQ contains the following requirement regarding the submission of financial information:

“Financial Information: Provide a statement of the Respondent’s financial stability and ability to fulfill the obligations of the contract(s) that may be awarded with their submittal. If your firm is unable to provide audited financial statements, please provide a letter why your firm cannot provide and submit any available financial information.”

Of the Nineteen SOQ’s submitted, fifteen firms submitted financial statements. One firm submitted its most recent tax return, one firm submitted a “Compilation of Labor and Fringes,” one firm provided a letter from their CPA firm which stated that the audit would not be completed by the SOQ submission date, and one firm provided no financial information at all.

Of the five firms which were eventually selected, all included financial statements with their SOQ; however, Internal Audit has found no evidence supporting that an evaluation of any of the financial statements for the PM Firms was ever performed. In other procurement processes such as a bid/award process for a contractor, the financial evaluation is typically performed by the Accounting Department. According to the Assistant Controller, the Accounting Department was never asked to review the financial statements for the PM firms.

Recommendation

Although it may appear that the five awarded firms are financially capable, the omission of an evaluation required by the RFQ is a deficiency in the thoroughness of an evaluation process. In addition, not performing a financial evaluation puts the district at risk of contracting with a firm that is financially incapable of performing the work. CFS should ensure that future evaluations include addressing all requirements listed in an RFQ or RFP.

Management Response

“The selection committee did review the financial statements we received and ask the Financial Department to review them as well. Time being the critical element in selecting a firm to negotiate with, we ask Finance to do the best they could in the limited time to get their response back to us. Before any contracts are signed we worked closely with Finance to insure the district was not at risk. We will continue in the same process if or when we send out another RFQ for Program Managers.”

Action Plan: *“We will note in our future processes that our notes indicate how we satisfy the insurance and financial obligations if or when we do another RFQ for Program Management.”*

Evidence that the required insurance coverage was in effect – In order to verify that the required insurance coverage was in effect when the contracts were signed, Internal Audit contacted Risk Management for documentation of their review of the insurance coverage. Risk Management could not find any evidence that CFS had requested a review of the policies for each of the PM firms. Internal Audit later obtained copies of the insurance certificates for the coverage which was in effect at the time of the contract awards from the Accounting Department. Copies of those certificates were forwarded to Risk Management for review along with the insurance requirements in the PM contracts. Risk Management reviewed the

February 19, 2015

certificates and the requirements and found discrepancies between the contract requirements and the certificates submitted by each firm. Those discrepancies and recommendations for correction are itemized in the report entitled "Program Managers Certificate of Insurance Review" issued by Risk Management and attached to this report as **Exhibit A**. The report contains a section for each PM firm with recommended corrections and or clarifications needed for each policy. According to Risk Management, the recommendations are necessary for each policy to conform to the contract terms.

In their report Risk Management refers to contract requirement 13.2.6 which requires an Owners and Contractors Protective (OCP) Policy, but none of the PM Firms show evidence of such coverage. The report also states that OCP policies are now believed by some to be obsolete. CFS should discuss the merits of requiring OCP coverage with Risk Management, and if it is beneficial, request the coverage. If it is not, CFS should strike the OCP requirement from future agreements.

Recommendation

Internal Audit recommends that the policy changes recommended by Risk Management be implemented by each PM firm. (Risk Management is currently in the process of contacting each firm with their recommendations.)

For future contracts or agreements, CFS should ensure that the insurance certificates provided during the contracting process are reviewed by Risk Management for compliance with the contractual terms before each contract is executed.

CFS should examine the benefits of OCP coverage and either require the coverage be in effect, or delete the requirement for OCP coverage from future professional services contracts.

Management Response

"The insurance requirements as well as the financial statements have to be in place and corrected before any contracts are signed and with time being critical during the selection process, the selection team knew the contract policy obligations would be taken care of during the negotiations."

Action Plan: *"We will note in our future processes that our notes indicate how we satisfy the insurance and financial obligations if or when we do another RFQ for Program Management."*

John M. Gerwin, Construction Audit Manager

Executed Copy on File

Exhibit A

Program Managers Certificate of Insurance Review

By

HISD Risk Management

PROGRAM MANAGERS

CERTIFICATE OF INSURANCE REVIEW

HISD Internal Audit reviewed Article 13 (Program Manager's Liability Insurance) of five Program Managers' Agreements for adequacy of insurance coverage. We consulted with HISD Risk Management, who reviewed the program managers' insurance certificates and noted the following:

Heery International, Inc.

General Liability:

- 13.2.3 No coverage is shown for Explosion, Collapse or Underground as required by section 13.2.3. Some current GL forms include this coverage automatically, but in this case, the certificate doesn't confirm or deny the existence of this coverage. An updated Certificate of Insurance should be requested to confirm this coverage.

Umbrella Policy:

- 13.2.7 Without confirmation that the Umbrella Policy is following form, HISD, its officials, agents, and employees should be shown as an Additional Insureds on the Umbrella Policy to comply with section 13.2.7. An updated Certificate of Insurance should be requested to confirm compliance with this section.

All Policies:

- 13.2.5 No Waiver of Subrogation was provided. Per section 13.2.5, a Waiver of Subrogation is required on all coverages. An updated Certificate of Insurance should be requested to confirm compliance with this section.
- 13.2.6 The Certificate of Insurance did not include confirmation of the Owners and Contractors Protective Policy required per section 13.2.6. An updated Certificate of Insurance should be requested to confirm compliance with this section.
- 13.2.11 Section 13.2.11 states Professional Errors & Omissions coverage may be purchased at the District's Option. If the District required Professional Errors and Omissions coverage, an updated Certificate of Insurance should be requested to confirm compliance with this section.
- 13.3.3.3 An updated Certificate of Insurance should be requested to confirm compliance with the requirement of 30 day notice for cancellation, non-renewal and reduction in coverage.

Jacobs Project Management Company

The Certificate of Insurance dated 03/13/2013 states it's a sample Certificate only. The following comments are based on the Certificate of Insurance dated 07/11/2013 and attachments.

General Liability:

- 13.2.3 No coverage is shown for Explosion, Collapse or Underground as required by section 13.2.3. Some current GL forms include this coverage automatically, but in this case, the Certificate doesn't confirm or deny the existence of this coverage. An updated Certificate of Insurance should be requested to confirm this coverage.

Umbrella:

- 13.2.12 This section requires an Umbrella policy, but Jacobs has chosen to increase the limits on each policy instead. **The limits for each policy have been increased to the levels that would have been achieved with the requested Umbrella policy.** A true Umbrella policy sometimes provides broader coverage than simply increasing the limits of the General Liability, Automobile Liability and Workers' Comp policies, but sometimes they do not. It is impossible to determine any advantages or disadvantages to this approach without a thorough review of the complete policies. **In this case the simple increases in limits seems sufficient.**

Workers' Compensation:

- 13.2.8 This section sets forth the required limits for Workers' Compensation and Employers Liability coverage. It does not specifically permit or prohibit the inclusion of a self-insured retention (SIR). The \$2,000,000 SIR shown on the Certificate of Insurance from Jacobs is tantamount to self-insurance. Before accepting such a high SIR, HISD should review the financials for Jacobs on a regular basis to ensure they have the sufficient formal reserves required for a \$2,000,000 SIR.

All policies:

- 13.2.6 The Certificate of Insurance did not include confirmation of the Owners and Contractors Protective Policy required per section 13.2.6. An updated Certificate of Insurance should be requested to confirm compliance with this section.
- 13.2.11 Section 13.2.11 states Professional Errors & Omissions coverage may be purchased at the District's Option. If the District required Professional Errors and Omissions coverage, an updated Certificate of Insurance should be requested to confirm compliance with this section.
- 13.3.3.3 Notice of Cancellation endorsements were included for all policies showing notification would be given electronically. Confirmation should be requested to confirm the email address given for notification.

Kwame Building Group Inc.

General Liability:

- 13.2.2 No coverage is shown for Contractual Liability as required by section 13.2.2. An updated Certificate of Insurance should be requested to confirm this coverage.
- 13.2.3 No coverage is shown for Explosion, Collapse or Underground as required by section 13.2.3. Some current GL forms include this coverage automatically, but in this case, the certificate doesn't confirm or deny the existence of this coverage. An updated Certificate of Insurance should be requested to confirm this coverage.

Workers' Compensation Policy:

- 13.3.2 Peerless Indemnity has an A.M. Best's rating of A- X, but the specifications require a rating of "at least A." A rating of A- is not terrible, but it does not meet the requirements set forth in section 13.3.2. Replacement coverage should be requested, or a formal exception to the Agreement should be made.

Professional/Errors & Omissions Coverage:

- 13.4.1 If the District required Professional Errors and Omissions coverage, then an updated Certificate of Insurance should be requested to show the retro date specified in section 13.4.1.

All Policies:

- 13.2.5 No Waiver of Subrogation was provided. Per section 13.2.5, a Waiver of Subrogation is required on all coverages. An updated Certificate of Insurance should be requested to confirm compliance with this section.
- 13.2.6 The Certificate of Insurance did not include confirmation of the Owners and Contractors Protective Policy required per section 13.2.6. An updated Certificate of Insurance should be requested to confirm compliance with this section.
- 13.2.7 HISD, its officials, agents, and employees should be shown as an Additional Insureds on the General Liability, Automobile Liability and Umbrella Policies per section 13.2.7. An updated Certificate of Insurance should be requested to confirm compliance with this section.
- 13.3.3.2 Per this section, the Program Manager's Insurance is required to be primary. An updated Certificate of Insurance should be requested to confirm compliance with this section.

- 13.3.3.3 An updated Certificate of Insurance should be requested to confirm compliance with the requirement of 30 day notice for cancellation, non-renewal and reduction in coverage.

Rice & Gardner Consultants, Inc.

The following applies to the Certificates of Insurance issued 03/18/2013 and 06/13/2013. Risk Management has not commented on the Certificates dated 04/14/2008, 03/17/2009, 03/17/2010, 03/03/2011, or 03/27/2012, as those Certificates predate the agreement currently under review.

General Liability Policy:

- 13.2.2 No coverage is shown for Contractual Liability as required by section 13.2.2. An updated Certificate of Insurance should be requested to confirm this coverage.
- 13.2.3 No coverage is shown for Explosion, Collapse or Underground as required by section 13.2.3. Some current GL forms include this coverage automatically, but in this case, the certificate doesn't confirm or deny the existence of this coverage. An updated Certificate of Insurance should be requested to confirm this coverage.

Umbrella Policy:

- 13.2.12 This section requires a \$2,000,000 Umbrella is required, but the Certificate of Insurance shows only a \$1,000,000 Umbrella. An updated Certificate of Insurance should be requested to confirm the correct limit for this coverage.

Professional/Errors & Omissions Coverage:

- 13.4.1 If the District required Professional Errors and Omissions coverage, then an updated Certificate of Insurance should be requested to show the retro date specified in section 13.4.1.

All policies:

- 13.2.6 The Certificate of Insurance did not include confirmation of the Owners and Contractors Protective Policy required per section 13.2.6. An updated Certificate of Insurance should be requested to confirm compliance with this section.
- 13.2.7 & 13.3.3.1 HISD, its officials, agents, and employees should be shown as Additional Insureds on the General Liability, Automobile Liability and Umbrella Policies. This certificate only references "Houston Independent School District." It does reference "as required by written contract," but for the sake of good order an updated Certificate of Insurance should be requested to confirm compliance.
- 13.3.3.2 Per this section, the Program Manager's Insurance is required to be primary. An updated Certificate of Insurance should be requested to confirm compliance with this section.

- 13.3.3.3 An updated Certificate of Insurance should be requested to confirm compliance with the requirement of 30 day notice for cancellation, non-renewal and reduction in coverage.

URS Corporation

Umbrella:

- 13.2.12 This section requires a \$2,000,000 Umbrella policy, but URS has chosen to increase the limits on each policy instead. They did a good job increasing each of the required limits on the General Liability and the Workers' Compensation policies, but they fell short on the Automobile Liability, which should have a limit of \$2,500,000, rather than the \$2,000,000 shown. The Acord 101 attached to the Certificate does show Excess Automobile Liability@ \$1,000,000 with American Guarantee & Liability Insurance Company. Technically this is not in compliance with the agreement, which requires an Umbrella, rather than increased limits. American Guarantee & Liability Insurance Company is part of the Zurich group, which is shown as the underwriter for the primary \$2,000,000 Automobile Liability. This arrangement provides some sense of continuity, but the Umbrella arrangement required in the Agreement would be preferred.

Professional Liability/Errors & Omissions:

- 13.4.1 If the District required Professional Errors and Omissions coverage, then an updated Certificate of Insurance should be requested to show the retro date specified in section 13.4.1.
- 13.3.2 Did the District require this coverage? Policy No. PP1205610 shows a retro date, but the insurance company does not comply with the requirements in section 13.3.2. NAIC No. 15792 is shown for this Lloyds' of London Group on the Certificate of Insurance. This group with an Illinois mailing address is not shown as approved in Texas, and is shown with an NR (Not Rated) rating by A.M. Best.

All Policies:

- 13.2.6 The Certificate of Insurance did not include confirmation of the Owners and Contractors Protective Policy required per section 13.2.6. An updated Certificate of Insurance should be requested to confirm compliance with this section.

OCP Policies in General:

None of these Program Managers have provided evidence of an Owners and Contractors Protective (OCP) Policy. Although these policies are still available, some people consider them obsolete. The International Risk Management Institute offers the following brief definition of an OCP policy in their online glossary:

“A stand-alone policy that covers the named insured's liability for bodily injury (BI) and property damage (PD) caused, in whole or in part, by an independent contractor's work for the insured. The contractor purchases the policy to provide coverage for vicarious liability the client (project owner) incurs as a result of the contractor's acts or omissions on the project. The OCP policy also responds to liability arising out of the insured's own acts or omissions in connection with its general supervision of the contractor's operations.”

If the District is committed to requiring OCP policies, limits, terms and conditions should be specified in Article 13 of the Agreement. The current wording is not specific enough to enable compliance by the program managers.

Please contact Peggy Roberts, HISD Risk Management with any questions regarding the foregoing analyses.



OFFICE OF INTERNAL AUDIT

Internal Audit Report

Review of the Construction Manager at Risk Selection Process for the 2012 HISD Facilities
Capital Program

Robert Sands – Officer Construction and Facility Services
William Earl Finley – Senior Sourcing Specialist Procurement Services

Issue Date:

4/2/2015

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Executive Summary

Background

The Internal Audit Department reviewed the process that was used to select Construction Management at Risk (CMAR) Services for twenty-five (25) projects of the 2012 HISD Facilities Capital Program that is currently underway. Listed below is a timeline of the selection process.

On July 10, 2013, Construction and Facility Services (CFS) established a committee to select CMAR services for the 2012 Bond Program. The committee consisted of six voting members and four non-voting or advisory members whose names are listed below:

Voting Members

Mr. Robert Sands – Officer of Construction & Facility Services
Ms. Sue Robertson – General Manager of Facilities Planning
Mr. Dan Bankhead – General Manager of Facilities Design
Mr. Dillon Brady – General Manager of Facilities Construction
Ms. Alexis Licata – General Manager of Business Assistance
Mr. Mark Miranda – Director of Business Operations

Non-Voting and Advisory Members

Mr. Leo Bobadilla – Chief Operating Officer
Mr. Elvis Eaglin – Sr. Procurement Manager
Mr. William Earl Finley – Sr. Sourcing Specialist
Ms. Sandy Hellums-Gomez – Attorney, Thompson & Horton LLP

A Request for Qualifications (RFQ) document was created and reviewed by the committee. On July 27, 2013, the RFQ was issued. HISD sought qualifications from companies in a Two-Step CMAR bid process for the twenty-two (22) originally planned projects. Step-One involved an initial request for qualifications for use in identifying the most qualified firms. In Step-Two, HISD requested that the firms, which were selected solely on the basis of qualifications, to provide proposed fees and pricing. The RFQ included the following detailed requirements:

- I. Instructions Submission Requirements and Procedures.
- II. General Terms and Conditions.
- III. Scope of Work and Specific Conditions.
- IV. (Required) Forms.

Four Addenda to the RFQ were issued on August 1, 6, 19, and 20, 2013. The first contained answers to questions submitted to the Senior Sourcing Specialist prior to the Pre-Bid Conference. The second contained answers to questions submitted at the Pre-Bid Conference, which was held at 2:00 P.M. on August 5, 2013. The third was a list of attendees at the Pre-Bid Conference, and the fourth was issued to expand the list of school projects from twenty-two (22) to twenty-five (25).

The submission deadline for Statements of Qualifications (SOQs), Step-One, was August 22, 2013 at 2:00 P.M. Thirty-three (33) SOQ packages were received on time for review. One SOQ package was received late and was removed from consideration. Due to the number of firms submitting per project, the two step RFQ process was separated in to two groups, Group 1 consisting of seventeen (17) projects, and Group 2 consisting of seven (7) projects. The

committee decided not to proceed to Step-Two for the one (1) remaining school project. This project was originally completed during a prior CSP (competitive sealed proposal). The scope was expanded and it required additional funding. Procurement and the Legal departments determined that the project could be completed utilizing the remaining funding from the prior CSP.

The committee met on at least seven occasions to discuss and evaluate the Step-One, SOQ submittals for Group 1. On September 20, 2013, the committee finalized the list of firms to invite to participate in the Step-Two proposal process for each project. Of the thirty-three (33) submitting firms, twenty-three (23) were eventually selected to submit pricing information under Step-Two for the seventeen (17) Group 1 projects.

On September 26, 2013, Step-Two proposals for the Group 1 projects were due, and per Chapter 2269 of the Texas Government Code, they were publically opened and read aloud. The scoring method for Step-Two was weighted average scoring.

On September 27, 2013, the committee met to review the Tabulation and Scoring of the Step-Two proposals for the Group 1 projects.

The committee met on at least two occasions to discuss and evaluate Step-One, SOQ submittals for the Group 2 projects. On November 11, 2013, the committee invited fourteen (14) firms to submit pricing information under Step-Two for the seven (7) projects in Group 2.

On November 15, 2013, Step-Two proposals for the Group 2 projects were due, and per Chapter 2269 of the Texas Government Code, they were publically opened and read aloud. The scoring method for Step-Two was weighted average scoring.

On November 18, 2013 the committee met to review the Tabulation and Scoring of Step Two, proposals for the Group 2 projects.

The committee decided to recommend to the Board the following companies below to provide Construction Management Services. The committee's recommendations were the best qualified companies.

The following eight* (8) firms were listed on the attachment to Board Item H-2, October 11, 2013, and were awarded contracts under Group 1:

- Sterling Structures, Inc.
- Tellepsen Builders, L.P.
- Division One Construction, LLC.
- Drymalla Construction Company, Inc.
- KBR Building Group, LLC.
- B3Ci A Joint Venture
- Cadence Mc Shane Construction, LLC.
- Satterfield & Pontikes Construction, Inc.

The following six*(6) firms were listed on the attachment to Board Item H-1, dated December 12, 2013, and were awarded contracts under Group 2:

- Turner Construction Company
- H.J. Russell & Company

- Comex Corporation
- Gilbane Building Company
- Brae Burn Construction Company, L.T.D., L.L.P.
- Pepper-Lawson Construction, L.P.

*Note: Some firms were awarded more than one School Project.

Audit Scope

This audit was performed in accordance with the Institute of Internal Auditors (IIA) International Auditing Standards. It contained a review of the Procurement Files for Project 13-07-01CS “Construction Management Services for the HISD Facilities Capital Program” as well as interviews with the Procurement Sourcing Specialist in charge of the project and Risk Management.

Due to the number of projects and submitting firms, the Internal Audit Department selected and reviewed four (4) of the twenty-five (25) projects. This included thirty-one (31) SOQ packages for Step-One and fourteen (14) proposals for Step-Two.

Documents reviewed included but were not limited to: Copies of the Request for Qualifications (RFQ) and the 4 Addenda, the Statements of Qualifications (SOQs) submitted for Step One, and the Step-Two proposals. In addition financial statements, evidence of insurance, and bonding capacity submitted by the thirty-one (31) firms reviewed for Step-One; references for the fourteen (14) firms evaluated for Step-Two; notes taken during evaluation process; documentation of the process timeline; as well as other schedules and exhibits written by the senior Sourcing Specialist were reviewed.

Audit Objectives

The objectives were to review the internal operating procedures used by the Procurement Department and CFS during the selection process for the Construction Manager-At-Risk (CMAR) firms in order to assess the adequacy of district oversight for this process. The following attributes were evaluated:

- Determine that the steps of the RFQ selection process were properly established, described, and carried out in accordance with the process requirements, district policy and state law.
- Determine if the process was adequately documented.
- Review the procurement process for:
 - Evidence of advertising.
 - Evidence of timely submission of the SOQs for Step-One.
 - Evidence of timely submission of the proposals for Step-Two.
 - Evidence of adherence to the Code of Silence.
 - Evidence that the evaluation criteria were predetermined and used in the process.
 - Evidence that each submitting firm was properly evaluated.
 - Evidence that a financial evaluation was performed on each firm.
 - Evidence that each awarded firm could provide adequate insurance coverage.
 - Evidence that an evaluation of bonding capacity was performed on each firm.
 - Evidence that references were verified.

Overall Conclusion

Based on the documentation on file in Procurement and interviews of district personnel, Internal Audit found that the CMAR selection process to have been well organized and well documented.

For future CMAR selection processes, noted recommended areas for improvement include:

- Procurement ensuring that the Confidentiality Agreements are dated to show proof of timely execution of Code of Silence.
- Procurement ensuring that the Code of Silence notification is issued on or before the issuance of the RFQ.
- Ensuring that Procurement will supply the evidence of insurability provided by each firm during future selection processes to Risk Management for review of compliance with HISD required coverage limits as part of the evaluation process.

The following areas were reviewed and found to be in compliance with state law, district policy, and the terms of the RFQ.

- The RFQ was advertised in compliance with the Texas Government Code.
- All 31 SOQ's were found to have been submitted timely.
- All 14 Step-Two proposals reviewed were submitted timely.
- The weights established for the selection criteria complied with the Board Resolution issued in April 2013.
- Each firm was properly evaluated and ranked in accordance with the Texas Government Code 2269.207.
- Of the thirty-one (31) SOQ's reviewed all submitted financial statements which were reviewed by the Controller's Office.
- Of the thirty-one (31) SOQ's reviewed all submitted bonding coverage statements which were reviewed by Risk Management.
- Procurement checked references for the fourteen (14) firms selected for Step-Two evaluations.

Auditor:

Victoria L. Silva – Construction Auditor

Auditor:

Jazzmine Fuller – Senior Construction Auditor
JF/VS/tl

Approved:

John M. Gerwin – Construction Audit Manager

Approved:

Richard Patton – Chief Audit Executive, Office of Internal Audit

Attachments – Report Detail

cc: Terry Grier w/o Attachment
Leo Bobadilla w/o Attachment
Kenneth Huewitt w/o Attachment
Anna Eastman w/o Attachment
Manuel Rodriguez w/o Attachment
Juliet Stipeche w/o Attachment

Attachment

Report Detail

In order to determine the adequacy of the selection process for the CMAR firms, Internal Audit reviewed the CMAR firm selection process based on the Procurement files for Project 13-07-01CS. In addition, interviews were conducted with the Procurement Sourcing Specialist in charge and personnel in the Risk Management Department. Based on the interviews and the documentation on file, Internal Audit reviewed the process for compliance with the following key control points.

Evidence of compliance with the HISD Code of Silence – The RFQ was issued on July 27, 2013. The instructions in the RFQ state that the terms of the HISD “Code of Silence” as addressed in Board Policy (CAA Local) and (BBFA Local) will be in effect from the time the RFQ is issued, through the execution of the agreement(s). Internal Audit noted that the Senior Sourcing Specialist had each voting, non-voting and advisory committee member outside of the Procurement Department, sign a Confidentiality Agreement addressing the Code of Silence Policy. Copies of those agreements were obtained and reviewed.

Finding

Internal Audit noted that the Senior Sourcing Specialist had each committee member outside of the Procurement Department sign a Confidentiality Agreement addressing the Code of Silence Policy for “All 2012 HISD Facilities Capital Program Projects.” A review of the forms found that they were not dated. Accordingly, Internal Audit cannot confirm that the forms were completed prior to the issuance of the RFQ.

Also, the official Code of Silence notification for the RFQ was issued on Monday, July 29, 2013. HISD employees were notified by email from the Procurement Department that the RFQ for CMAR services had been issued and the Code of Silence was in effect. According to Code of Silence Policy and the terms in the RFQ, the notification should have been issued upon or before the issuance of the RFQ.

Recommendation

In order to assure compliance with the Code of Silence, all confidentiality agreements should be signed and dated, on or before the time the RFQ is issued. To ensure a selection process is in compliance with the Code of Silence Policy, the official notification stating that an RFQ or RFP is under the Code of Silence should be issued upon or before the issuance of the RFQ or RFP. Internal Audit noted that the issue of the Code of Silence notification was addressed by Procurement earlier this month in response to another audit as follows:

The Code of Silence report will be issued every Thursday before issuance of an RFP (RFQ). This change has been implemented. First notification went out on February 19, 2015.

Procurement Response

Procurement concurs with the findings and appreciates the feedback. With each bid Procurement has strived to improve the process.

It was asked of Sandy Hellums-Gomez of Thompson and Horton, LLP whether an “All HISD 2012 Facilities Capital Program” confidentiality agreement might be signed since it was decided the evaluation committee for all HISD 2012 Facilities Capital Program bid projects was going to be the same people. Sandy Hellums-Gomez answered that it would be fine. Since the form was intended to apply to all 2012 Facilities Capital Program projects Procurement left a space for the date off.

Procurement will return to filling out a confidentiality form for each bid project with a space for the date and the name to be printed and signed.

Also, Procurement now requires that the confidentiality forms will all be signed prior to advertising the bid project.

CFS Management Response

CFS has reviewed the audit and concurs with the findings.

Evidence that the required insurance coverage was in effect – The RFQ required each firm to submit evidence that they can obtain the required insurance in the event of a contract award. Internal Audit found evidence of insurance in the SOQs for 27 of the 31 firms. In order to verify that the proposing firms could provide the required insurance coverage, Internal Audit contacted Risk Management for documentation of their review of insurability for the four (4) school projects that Internal Audit selected for review (Furr HS – KBR, Lee HS – Satterfield & Pontikes Construction, Milby HS – Tellepsen Builders, and Athletic Projects – Division One Construction).

Finding

Internal Audit found evidence that documentation for insurance was submitted to the district as required by the RFQ, but was unable to confirm that it was reviewed by HISD’s Risk Management Department during the evaluation process to verify that the firms would be able to receive adequate coverage at the time contracts are awarded. Internal Audit spoke with CFS and they stated that the insurance information was delivered to Risk Management for review but did not have proof of this submittal. After speaking with Risk Management they stated that they do not conduct a thorough review of insurance documentation until the work is ready to begin on the school projects. Risk Management also noted that they have reviewed insurance coverage for two (2) of the four (4) school projects currently under contract (Milby HS – Tellepsen Builders, and Athletic Projects – Division One Construction) since they have begun work.

Recommendation

Procurement should ensure that insurance requirements are evaluated by HISD’s Risk Management, during the evaluation process to ensure that all requirements can be met. This can be done by requesting firms to submit sample policies that show the required limits, or a letter from the insurance company stating that if they are chosen they will be able to receive the required insurance coverage.

Not performing an insurability review during the evaluation process puts the District at risk of recommending for contract award, and commencing negotiations with a firm, which cannot

meet the District's insurance requirements. To avoid that risk, Procurement should ensure that each response contains an insurance certificate or a letter from an insurance carrier and that those documents are reviewed and verified by Risk Management as part of the evaluation process.

Procurement Response

Procurement concurs with the findings and appreciates the feedback. With each bid Procurement has strived to improve the process.

Procurement is now asking for a letter from the submitters insurance company whether the submitter can insure the school projects they are submitting qualifications for, and the letters provided by the insurance companies will be reviewed and verified by Risk Management. This makes good business sense to do so and is in all parties' best interest.

CFS Management Response

CFS has reviewed the audit and concurs with the findings.

Evidence that the RFQ was properly advertised in accordance with State Law –

Internal Audit obtained and reviewed copies of the Houston Chronicle advertising confirmation documents including the text of the ad itself, which lists “*Publish Dates: 7/27/2013 – 8/10/2013.*” The advertisement was in compliance with Sec. 271.025 of the Texas Government Code.

Evidence that the SOQs were submitted timely in accordance with the RFQ –

Internal Audit obtained and reviewed copies of the Time/Date stamps issued by HISD Board Services. Each Time/Date stamp is affixed to either an address label or a business card, and all list the firm name and reference RFQ #13-07-01CS. All thirty-one (31) Step-One submittals reviewed were submitted timely before August 22, 2013 at 2:00 PM as required by the RFQ.

Evidence that the Step-Two proposals were submitted timely – Internal Audit obtained and reviewed copies of the Time/Date stamps issued by HISD Board Services. Each Time/Date stamp is affixed to either an address label or a business card, and all list the firm name and reference RFQ #13-07-01CS. All fourteen (14) Step-Two submittals reviewed were submitted timely.

Evidence that the evaluation criteria were predetermined and used in the process for Step One – The RFQ contained the evaluation criteria and predetermined weights listed below for Step-One of a Two-Step Process.

QUALIFICATIONS (27%)

- *Match of Experience to Project(s)*
- *Firm work capacity related to Project size*
- *Firm Years in Business*

RELEVANT EXPERIENCE (18%)

- *Match of Experience to Project(s)*

- *Relevant HISD specific work completed*
- CONSTRUCTION METHODOLOGY & PHASING STRATEGY (4%)**
- *Past Performance on all K-12 and Community College Educational Projects*
- PROPOSED PERSONNEL (18%)**
- *Prior experience of proposed personnel*
 - *Qualifications of proposed personnel*
- SAFETY RECORD (10%)**
- *Company Safety plan*
- BOND & FINANCIAL STABILITY (5%)**
- *Financial Statement of financial stability*
 - *Statement of bonding capacity*
- M/WBE PLAN & RECORD OF COMPLIANCE (18%)**
- *Completion of M/WBE Plan and Good Faith Effort*

For the evaluation process a form was developed which listed the criteria and contained a column for documenting supporting rationale. The firms were ranked and a maximum of the top 5 highest ranked firms per project were selected for Step-Two. A review of the RFQ and the Step-One evaluation form indicated that the criteria and weights used in the actual evaluations were consistent with the requirements listed in the "Firm Profile and Relevant Experience" section of the RFQ.

Evidence that the evaluation criteria were predetermined and used in the process for Step-Two – The RFQ contained the evaluation criteria and weights listed below for Step-Two of a Two-Step Process.

Cost of Pre-Construction Services (10%)

- *Amount for pre-construction services, as described in the Agreement, inclusive of all expenses and disbursements as a lump sum (not to exceed \$75,000).*

Construction Phase Services Fees (45%)

- *Percentage of cost of work for overhead and profit.*

Cost of General Conditions (45%)

- *Proposed amount to be provided for a Guaranteed Maximum Price (GMP) project as percentage of cost of work.*

For the actual evaluation process, each firm invited to Step-Two submitted a proposal form which included the criteria. Their proposals were ranked using a weighted average scoring. A review of the RFQ and Step-Two evaluation form indicated that the criteria used in the actual evaluations were consistent with the requirements listed in the "Selection Criteria" section of the RFQ.

Internal Audit also noted, the selected criteria used in the RFQ and in the evaluation process for Steps One and Two were in compliance with Board Item G-20, dated April 11, 2013, a formal resolution entitled "*Approval of Primary Construction Methods for District Construction Contracts, Criteria for Selection of Contractors, and Delegation of Evaluation Authority.*"

Evidence that each firm was properly evaluated – Each firm was ranked, in accordance with the Texas Government Code 2269.207 to determine the order of negotiations during Step-One. Accordingly, the negotiation process was held in the order of ranking beginning with the most highly qualified firm.

A single set of evaluation forms completed by the same individual were found for each of the 31 firms in the Procurement files. Internal Audit reviewed the evaluations of the firms and noted that each evaluation form included a space for notes for each evaluation criteria. The existence of the evaluation notes indicates that an evaluation process took place, and the notes indicate why each firm was selected or eliminated.

Internal Audit also reviewed the Step-Two evaluation form for the 14 firms which consisted of a weighted average calculation completed by Procurement. Internal Audit recalculated the weighted average formula used to rank the firms to verify accuracy of the amounts.

Evidence that financial evaluations were performed – The RFQ contains the following requirement regarding the submission of financial information:

“Financial Information: Provide a statement of the Respondent’s financial stability and ability to fulfill the obligations of the contract(s) that may be awarded with their submittal. If your firm is unable to provide audited financial statements, please provide a letter why your firm cannot provide and submit any available financial information.”

Of the thirty-one (31) SOQ’s reviewed, all submitted financial statements. Internal Audit has found evidence supporting that evaluations of the financial statements were performed by the Assistant Controller.

Evidence that evaluations of bonding capacity were performed – The RFQ contains the following requirement regarding the submission of bonding information:

“Provide a brief statement of the Respondent’s bonding ability to fulfill the obligations. This information to also be provided in Attachment A – Questionnaire.”

Of the 31 SOQ’s reviewed, all submitted bonding coverage statements. Internal Audit has found evidence supporting that evaluations of the bonding coverage statements were performed by Risk Management. The evaluation was based on an analysis of each firm’s A.M. Best rating.

Evidence that references were verified – The RFQ contains the following requirement regarding references.

“Submitter must identify and describe a maximum of five (5) projects of directly relevant experience per School Project the Submitter is submitting qualifications for with references provided and w/ full contact information including phone and email addresses of references provided.”

Internal Audit noted that Procurement checked references for the fourteen (14) firms that were selected for the Step-Two Proposals. Procurement sent reference contact forms via email which

included the name of each proposing firm and a list of questions for each reference to answer and assign a rating to the proposing firm.

Auditor:

Victoria L. Silva – Construction Auditor

Auditor:

Jazzmine Fuller – Senior Construction Auditor

Executed Copy on File



OFFICE OF INTERNAL AUDIT

Internal Audit Report
Review of the Architect / Engineering Firm Selection Process for the 2012 Bond Program
“Group One” and “Group Two” Projects

Robert Sands, Officer, Construction and Facility Services
William Earl Finley, Senior Sourcing Specialist, Procurement Department

Issue Date:

4/10/2015

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Executive Summary

Introduction

The HISD Office of Internal Audit has reviewed the Architectural and Engineering firms (A/E firms) selection process for the “Group One” and “Group Two” portions of the 2012 Bond Program.

Background

The passing of the 2012 Bond Program set in motion the steps needed to complete the design and construction (and/or the renovation) of the various facilities that make up the program. A necessary step in this process was the selection of the architects and engineers to complete the planning and design of the facilities. The following is a timeline of events which occurred during the A/E selection process for the “Group One” and “Group Two” facilities.

CFS established an Evaluation Committee (Committee) to select the A/E Firms for the 2012 Bond Program. The schedule for the selection process and the committee’s activities were coordinated by Procurement. The committee consisted of six voting members and four non-voting or advisory members, whose names are listed below:

Voting Members

- | | |
|-----------------------|--|
| ○ Mr. Robert Sands – | Officer of CFS |
| ○ Ms. Sue Robertson – | General Manager for Facilities Planning |
| ○ Mr. Dan Bankhead – | General Manager of Facilities Design |
| ○ Mr. Dillon Brady – | General Manager of Facilities Construction |
| ○ Ms. Alexis Licata – | General Manager of Business Assistance |
| ○ Mr. Mark Miranda – | Director – Business Operations |

Non-Voting or Advisory Members

- | | |
|-----------------------------|------------------------------------|
| ○ Mr. Leo Bobadilla – | Chief Operating Officer |
| ○ Mr. Elvis Eaglin - | Sr. Procurement Manager |
| ○ Mr. Wm Earl Finley - | Sr. Sourcing Specialist |
| ○ Ms. Sandy Hellums-Gomez - | Attorney, Thompson and Horton, LLP |

A Request for Qualifications (RFQ) was developed and issued for A/E services dated December 3, 2012. The RFQ included predetermined evaluation criteria and requested that each firm submit a Statement of Qualifications (SOQ) by January 7, 2013 at 2 PM. The submittal date was later changed to January 15, 2013 at 2 PM. The SOQs were to be submitted to HISD Board Services at 4400 West 18th Street.

According to the overall Bond/CFS Project Checklist, there were five addenda to this RFQ. These addenda were issued on December 14, 2012, December 21, 2012, January 2, 2013, January 7, 2013, and January 10, 2013, respectively.

A pre-submittal conference was held on Tuesday, December 18, 2012 at 10:00 AM.

Notice of the RFQ was advertised in the Houston Chronicle. The first advertisement date was December 1, 2012, which stated that the RFQ would be available on December 3, 2012, and the last advertisement date was December 8, 2012. To assist the HISD selection committee, an Architectural Advisory Committee comprised of professors from the University of Houston, Rice University, and Prairie View A & M University Schools of Architecture, were assembled to offer their expertise in the area of 21st century school design and what to expect.

The submittal process was completed on January 15, 2013 with the receipt of 85 SOQs in Board Services.

The initial step in the evaluation process was a review of the 85 SOQs. The committee met and made a determination of the initial shortlist of firms to be invited in to make oral presentations.

The second step in the selection process was to invite the shortlisted firms to make presentations to the evaluation committee. In total, 36 firms made presentations to the committee, some on more than one project. The evaluation committee went through an arduous process of matching the firms making presentations to the scheduled school projects. The committee looked at the needs of each project (facility) individually, and at the qualifications of each of the 36 presenting firms. A shortlist of firms was then created for each individual project, which included the firms that the committee felt were the best fit/best qualified for each project. The committee also felt that each firm that made the shortlist for a project was capable of doing that project.

The third step in the selection process was to invite the firms in to make presentations on a project by project basis. The firms tailored their presentations to the needs of each particular project and presented to both the Committee and “Stakeholders” (representatives from the particular school or facility.) After the presentations, using input from the Stakeholders, the committee discussed each firm’s presentation and qualifications and through that discussion process, was able to make unanimous decisions about the best firm for each project.

Recommendations of the A/E firms for each of the “Group One” and “Group Two” schools/facilities were made to the HISD Board from February 14, 2013, through May 9, 2013. Please see the listing of the selected A/E firms approved at each board meeting attached to this report as **Exhibit 1**.

Audit Scope

This audit was performed in accordance with the Institute of Internal Auditors (IIA) International Auditing Standards. It contained a review of the Procurement files for Project 12-10-02CS – “Architectural-Engineering Services for the 2012 Facilities Capital Program”, as well as interviews with the Senior Sourcing Specialist in charge of the project and several members of the Selection Committee.

Documents reviewed included, but were not limited to: The RFQ and five addenda, the Statements of Qualifications SOQs, notes taken during the selection process and during the presentations, and notes on the process timeline written by the Senior Sourcing Specialist.

Audit Objectives

The audit sought to review and assess the adequacy of district’s A/E selection process by determining whether the steps of the RFQ selection process were properly established, described, and carried out in accordance with the process requirements under State Law and District policy. This is further delineated as follows:

- Confirming that the evaluation criteria were predetermined and applied as part of the proposal evaluation process including documentation of the results.
- Confirming that the HISD Code of Silence was properly adhered to.
- Confirming that the RFQ was advertised in accordance with State Law.
- Confirming evidence of timely submission, receipt, opening, and storage of SOQ submittal packages including the dating and stamping-in process.
- Confirming that all financial documents requested by the RFQ were carefully reviewed for all selected A/E Firms as part of the selection process.
- Confirming that the required insurance certificates were submitted and reviewed.
- Confirming that each step in the approval process was properly conducted and resulted in a ranking of the firms based on qualifications in accordance with State Law.

Overall Conclusion

- The evaluation criteria was found to have been predetermined (included in the RFQ) and applied as part of the evaluation process (included in the evaluation sheets).

Although one of the criteria was “Past performance as Evaluated by Clients/Owners” the RFQ failed to request reference information from each proposing firm. As a result references were not checked for the submittals.

Although the evaluation scoring sheets listed the criteria with a section for the evaluators to add comments, many evaluation sheets did not include comments for every criteria, giving the possible impression that those criteria were not considered in the process.

Procurement has demonstrated that the issues of references and commenting on all criteria have been corrected for future RFQs.

- Code of Silence Confidentiality Agreements signed by each committee member were found for “All 2012 HISD Facilities Capital Program Projects,” but they were not dated. Accordingly, one cannot determine if they were executed timely for this RFQ in accordance with the Code of Silence Policy. In addition the notification from Procurement stating that the A/E RFQ was under the Code of Silence Policy was issued one day after the RFQ was issued. For future selection processes, in order to comply with the Code of Silence Policy, it is recommended that the Confidentiality Agreements

be dated, and the Code of Silence notification be issued upon or before the time an RFQ or RFP is issued.

- The RFQ was found to have been properly advertised in accordance with the Texas Local Government Code.
- The SOQs were found to have been submitted timely and properly date and time-stamped at Board Services.
- Although the RFQ contained a requirement for the respondent to provide evidence of financial stability and ability to perform the obligations of the contract, no financial evaluations were performed during the evaluation process exposing the district to a potential risk. Financial evaluations are recommended for all future professional services evaluation processes.
- Regarding required insurance coverage, insurance certificates were found for most, but not all, of the selected firms. According to Risk Management these certificates were not reviewed during the evaluation process. Although a preliminary review by Internal Audit noted that many of the certificates reviewed met the required coverage limits, it was noted that some of the minimum coverage was not adequate or missing altogether. It is recommended that an insurance review be performed by Risk Management for all future professional services evaluation processes.
- Although it did show thorough evaluation efforts, the documentation for 11 of the 29 final selections did not clearly demonstrate that the most qualified provider was selected based on competence and qualifications in accordance with Texas Government Code Section 2254. It should be noted that the remaining 18 final selections were adequately documented. Future professional services selection processes need to include clearer documentation demonstrating that the basis for each selection.

It should be noted that according to the Senior Sourcing Specialist, the Officer of CFS, and the Outside Attorney advising on the process, lessons were learned and improvements were made in later procurement processes, including more complete notes detailing the selection, and a including definitive statement listing each firm chosen by the committee.

Internal Audit appreciates the cooperation provided by personnel from Procurement, CFS, and the outside Attorney.

Review of the Architect / Engineering Firm Selection Process for the 2012 Bond Program “Group One” and
“Group Two” Projects
April 10, 2015

Auditor:

Barry M. Hertz – Senior Construction Auditor

Auditor:

John M. Gerwin – Construction Audit Manager
JG/tl

Approved:

Richard Patton – Chief Audit Executive, Office of Internal Audit

Attachment
Exhibit 1

cc: Terry Grier w/o Attachment
Leo Bobadilla w/o Attachment
Kenneth Huewitt w/o Attachment
Anna Eastman w/o Attachment
Manuel Rodriguez w/o Attachment
Juliet Stipeche w/o Attachment

Attachment

Report Detail

Internal Audit found the selection process followed by Procurement well organized and constructed; however, certain areas were noted where the process could be improved, which are noted in the findings below.

Internal Audit obtained copies of the procurement files in order to assess the thoroughness of the selection process. The files were well organized and included, but were not limited to, the following:

- The RFQ and the five addenda.
- The Statements of Qualifications.
- An executive summary prepared by the Senior Sourcing Specialist.
- Correspondence between the Senior Sourcing Specialist and the Selection Committee.
- Pre-proposal sign-in meeting logs.
- Copies of the Houston Chronicle advertisements.
- Documentation for the proposal submittal process.
- Evaluation sheets for each step in the selection process.
- Notes taken during the selection committee meetings (including the meetings with the representatives for the school or facility under consideration).
- Other supporting memos.

Internal Audit reviewed the process based on the Procurement files for Project 12-10-02CS and conducted interviews with the Senior Sourcing Specialist in charge and several members of the selection committee. The following test work was performed:

Evidence that the Evaluation Criteria were Predetermined and used in the Evaluation Process – A review of the RFQ found the following evaluation criteria in paragraph 3.5. It was noted that the evaluation sheets contained the same criteria, and included spaces for comment for each selection criteria and sub-criteria by the evaluator.

Firm Experience and Qualifications

- Match of Experience to Project(s)
- Firm work capacity related to project size
- Firm Years in Business
- LEED Success

Project Manager Experience and Qualifications

- Match of Experience to Projects
- LEEDS Experience
- Experience with Phased School Projects

Proposed Team of Consultants

Qualifications of Proposed Consultants

Past Performance as Evaluated by Clients/Owners

Quality of Services

- Budget Adherence
- Schedule Adherence
- Standards Adherence
- Reporting and Communication

M/WBE Participation Plan and Outreach Efforts

Oral Presentation (Applicable at HISD’s Option)

- Response to the Committee’s Questions
- Summary of Qualifications
- Presentation Materials and Visuals

Finding

Internal Audit reviewed the structure of the RFQ included with the HISD Procurement Department documentation on a thorough line-by-line basis and, in general, found it well constructed. Although the Evaluation Criteria to be used by HISD included an evaluation of “Past Performance as Evaluated by Clients/Owners,” the RFQ did not include language requesting reference information from each participant.

Based on Internal Audit’s review of the evaluation documentation itself, it was noted that past performance was either left blank or was limited to comments from the District’s personal experience with the participant on previous HISD projects. When asked about references in the evaluation process, the Senior Sourcing Specialist stated that references were not checked for the “Group One” and “Group Two” projects. According to the Senior Sourcing Specialist, subsequent RFQ’s were corrected to request reference information from the participants and that the references were contacted.

The evaluation sheets maintained in support of Evaluation Step 1, the initial review of all 85 submittals, did not include comments for many criteria that were actually evaluated. The comments provided addressed significant matters, both positive and negative, that came to the attention of the evaluation committee, but not every criteria included comments, creating the impression that these criteria were not considered in the evaluation process. Procurement has acknowledged that not including comments for each criteria on the evaluation sheets can be seen as a deficiency, and has since demonstrated that this has been corrected for subsequent RFQ processes, a practice which should be continued.

Recommendation

Each RFQ should contain specific language that requires applicable reference information from each proposing firm. Internal Audit recommends that the Procurement Department contact such references and document the results.

During the evaluation process, CFS should ensure that the evaluation sheets include notes for every criteria in order to demonstrate that all criteria were considered in the process.

Procurement Response

For all bids, starting with 13-02-01CS RFQ - Program Management Services for the HISD Facilities Capital Program conducted by Wm. Earl Finley, references have been formally requested. Requests for references were sent out, and references received were provided to the evaluation committee prior to them scoring the submittals. An improved evaluation workbook has been developed and each evaluation criteria has a section for comments related to why each score was given.

CFS Management Response

The committee actually evaluated all of the firms based on all of the criteria as reflected in the notes by outside counsel on the evaluation sheet and post-interviews, where applicable. The committee determined as a collective group the notes would indicate our evidence to our ranking. However, to the extent our analysis was unclear, we have instituted a more extensive record keeping process for subsequent bond procurement processes.

Evidence of Compliance with the HISD Code of Silence – The RFQ was issued on December 3, 2012. The instructions in the RFQ state that the terms of the HISD “Code of Silence” as addressed in Board Policy (CAA Local) and (BBFA Local) will be in effect from the time the RFQ is issued, through the execution of the agreement(s).

Finding

Internal Audit noted that the Senior Sourcing Specialist had each committee member outside of the Procurement Department sign a Confidentiality Agreement addressing the Code of Silence Policy for “All 2012 HISD Facilities Capital Program Projects.” A review of the forms found that they were not dated. Accordingly, Internal Audit cannot confirm that the forms were completed prior to the issuance of the RFQ.

The day after the RFQ was issued, Tuesday, December 4, 2012, HISD employees were notified by email from the Procurement Department that the RFQ for A/E services had been issued, and the Code of Silence was in effect. According to Code of Silence Policy and the terms in the RFQ, the notification should have been issued upon or before the issuance of the RFQ.

Recommendation

In order to assure compliance with the Code of Silence, Procurement should ensure that all confidentiality agreements are signed and dated, at or before the RFQ is issued. To ensure a selection process is in compliance with the Code of Silence Policy, the notification stating that an RFQ or RFP is under the Code of Silence should be issued upon or before that RFQ or RFP is issued.

Procurement Response

Upon consultation with 2012 Facilities Capital Program legal counsel advising the committee, it was asked if an “All 2012 HISD Facilities Capital Program Projects” Code of Silence form could be signed since the evaluation committee members would be the same. Legal counsel advised it was acceptable to do so. Going forward as of 3/12/2015, per recommendation of Internal Audit, each project will have its own dedicated confidentiality form with related project number and be dated and signed prior to issuing of the RFQ or RFP.

The issue of the Code of Silence notification was addressed by Procurement earlier this month in response to another audit as follows:

The Code of Silence report will be issued every Thursday before issuance of an RFP. This change has been implemented. First notification went out on February 19, 2015. Confidentiality Agreements will be signed on the date the committee is established.

Evidence that the RFQ was properly advertised in accordance with State Law –

Internal Audit obtained and reviewed copies of the Houston Chronicle advertising confirmation documents including the text of the ad itself. The first advertisement date was December 1, 2012, which stated that the RFQ would be available on December 3, 2012. The second advertisement date was December 8, 2012. According to the advertisement from the Houston Chronicle, the appropriate details were provided for downloading a copy of the RFQ from the HISD website. In addition, the ad stated that copies of the RFQ were also available directly from HISD.

The advertisement was found to be in compliance with the Texas Local Government Code.

Evidence that the SOQs were submitted timely in accordance with the RFQ –

Internal Audit observed the receipt of the submittal packages in Board Services and obtained and reviewed an alphabetical log of submittal dates and times. All SOQs, which were eventually evaluated, were submitted timely before January 15, 2013 at 2:00 PM as required by the RFQ.

Evidence of Financial Evaluation – The RFQ contained the following requirement regarding the submission of financial information:

“Financial Information: Provide a statement of the Respondent’s financial stability and ability to fulfill the obligations of the contract(s) that may be awarded with their submittal. Provide a copy of audited financial statements for the past three (3) years. If your firm is unable to provide audited financial statements, please provide a letter why your firm cannot provide and submit any available financial information.”

Finding

Financial information was found to have been received. Internal Audit reviewed the submittals for the 22 firms which were awarded the 26 Group One projects recommended by

CFS to the HISD Board between February 14, 2013 and May 9, 2013. The financial information in each submittal was found to vary widely in content and level of review by the accountants for each of the submitting firms. No evidence of a financial review performed by HISD was found. Internal Audit was advised by Procurement that the financial review process, completed by the district for the first A/E RFQ, was primarily limited to just the question of whether or not the firm had submitted financial documents or a letter sufficiently explaining why they were unable to do so. It is the understanding of Internal Audit that the financial review did not include an analysis or rating of the financial position of the submitting firms. Internal Audit believes that not performing a review of the submitting firm’s financial records puts the district at risk of contracting with a firm which is financially incapable of performing the contract requirements.

Recommendation

Procurement should ensure that financial information provided by respondents is thoroughly evaluated by the Office of Finance during the evaluation process. The financial evaluations should be signed off by the Office of Finance and taken into consideration in future selection processes before a contract is awarded.

Procurement Response

As a process improvement, we now have the Finance Department review and evaluate the financials and provide results of their review to the evaluation committee scoring the submittals.

CFS Management Response

The selection committee did review the financial statements we received and the financial health of each applicant was evaluated. CFS has already adopted a further mechanism by which the Office of Finance evaluates the financial information of applicants and provides its information and feedback to Procurement. CFS will continue with the same process.

Evidence of Proper Insurance Submittal – The RFQ requires that each submitting firm provide evidence of insurability as specified in Attachment B to the RFQ.

Finding

Internal Audit found evidence that documentation for insurance was submitted to the district as required by the RFQ, but was unable to confirm that it was reviewed by HISD’s Risk Management Department. Risk Management did not provide any evidence that they performed a review. Internal Audit, as part of its review, examined many *Acord* Certificates of Liability Insurance sheets provided by respondents as part of their proposals and found some cases where certain minimum coverage requirements cited in the RFQ were not addressed or were not adequate. Internal Audit was advised by Procurement that insurance coverage is usually adjusted to be correct at the time that the contract is prepared, approved, and signed. Procurement has since stated that it has made specific improvements to its RFQ process to ensure that firms recommended to the Board on future

projects have demonstrated that they have or can obtain adequate insurance before contract negotiations.

Recommendation

Procurement should ensure that insurance requirements are evaluated by HISD’s Risk Management, to ensure that all requirements are met, and are in effect, at the time that the SOQs are being evaluated.

Procurement Response

Insurance and bonding do not come into play until it is time to negotiate the contract. The amount of actual insurance needed will vary depending on size of project awarded. However, upon review, and as a process improvement, Procurement and Risk Management have come up with a requirement that a letter must be provided from the submitting firm’s insurance company as to what level the firm is insurable based on the budgets of the projects provided in the bid. Bonding capacity and insurability of the submitting forms are now being reviewed by Risk Management and results of their reviews are provided to the evaluation committee before scoring the submittals.

CFS Management Response

The insurance requirements as well as the financial statements have to be in place and corrected before any contracts are signed and with time being critical during the selection process, the selection team knew the contract policy obligations would be taken care of during the negotiations. CFS has already adopted improved measures to evaluate and confirm insurance coverage of proposers. This process has included collecting information from the bidders regarding insurance coverage and confirming such coverage with the professional liability insurance firm. This process was undertaken in conjunction with HISD’s Risk Management Department. CFS will continue the same process for subsequent Bond procurement processes.

Evidence that the Firms were selected by qualifications in accordance with State

Law – According to the Texas Government Code Section 2254 In procuring architectural, engineering, or land surveying services, a governmental entity shall: First select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications; and then attempt to negotiate with that provider a contract at a fair and reasonable price.

Internal Audit reviewed documentation provided by Procurement for all three steps of the selection process. Internal Audit found A/E evaluation sheets with notes for all 85 SOQ’s and the subsequent interviews. Based on the SOQ review, a first round of interviews was then conducted with 36 firms, from which 11 contracts were awarded in February and March of 2013. A second round of interviews which included “stakeholders” (faculty students and parent representatives) from each school was then conducted. The second round resulted in 18 contracts being awarded in April and May of 2013. The 29 A/E firms recommended for the initial 26 “Group One” and “Group Two” projects are listed in **Exhibit 1**.

Finding

As noted above, two rounds of interviews were conducted. The documentation of the selection of the 11 firms which were awarded contracts in February and March based on the first round of interviews is not sufficient to clearly indicate the reasoning behind each selection. The notes from the second round of interviews for the 18 firms which were awarded contracts in April and May, are much more detailed. Upon examination of the second round notes, one can see the reasoning behind the selection of each firm, although not all of the notes specifically state the final recommendation by the committee.

According to the Senior Sourcing Specialist assigned to CFS, the Outside Attorney overseeing the process, and the Officer of CFS, they learned lessons from this process and stated improvements were made in later professional services selection processes. Notes are now included on each set of SOQ evaluation forms for all listed criteria. In addition, more detailed interview notes are being taken and now include a definitive statement concerning the committee's choice. A review of the notes for the subsequent A/E selection process confirmed this statement.

Recommendation

Procurement and CFS should continue the process improvements in professional services selection processes, including maintaining detailed notes for all evaluation criteria during the SOQ evaluation and during interviews. In addition those notes should include a definitive statement listing the firm chosen by the committee.

Procurement Response

Procurement concurs. We recognized a need early on to be more detailed with note taking and the process has continually improved as the 2012 Facilities Capital Program evaluations have progressed. For example, the initial review of all RFQ submittals for A&E service now has a dedicated Excel workbook wherein each submitter has a dedicated evaluation workbook page with the criteria they are being evaluated by and all comments the evaluation committee had when discussing/evaluating their submittals. In addition, each Excel workbook page makes note as to whether the committee wishes to invite the firm to a round one interview or not. In the round one interview, detailed notes are taken and the committee decides and notes which firms are invited to step two interviews with school stakeholders. The same occurs with step two interviews with the school stakeholders and it is noted which firm the committee wishes to recommend for each school project. As a result of continually improving the process, the documentation is the path to the committee's decisions and recommendation for award, which may now be more easily understood and followed.

CFS Management Response

CFS concurs with the audit finding.

Review of the Architect / Engineering Firm Selection Process for the 2012 Bond Program “Group One” and
“Group Two” Projects
April 10, 2015

Auditor:

Barry M. Hertz – Senior Construction Auditor

Auditor:

John M. Gerwin – Construction Audit Manager

Executed Copy on File

Exhibit 1

Firms Recommended by the Evaluation Committee to the HISD Board

According to documentation provided by the HISD Procurement Department and listed in order below by the date of the Board Meeting at which they were recommended to the Board, were the following firms:

February 14, 2013 Board

Middle School Restrooms Renovations	Robert Adams, Inc. VCS English & Associates, Inc. Courtney Harper + Associates
North Houston Early College High School	Rdlr Architects, Inc.
South Early College High School	Smith & Company Architects, Inc.
Waltrip High School	Gensler
Worthing High School	Molina Walker Architects, Inc.

March 7, 2013 Board

Mandarin Chinese Language Immersion K-8 School	PBK Architects
Grady Middle School	Natex Corporation
Condit Elementary School	VLK Architects

April 11, 2013 Board

Bellaire High School	PBK Architects
Davis High School	Bay-IBI
Furr High School	ERO Architects
Lamar High School	Perkins + Will
Lee High School	WHR
Milby High School	Kirksey Associates, Architects, Inc.

<p align="center">Review of the Architect / Engineering Firm Selection Process for the 2012 Bond Program “Group One” and “Group Two” Projects April 10, 2015</p>

April 11, 2013 Board - Continued

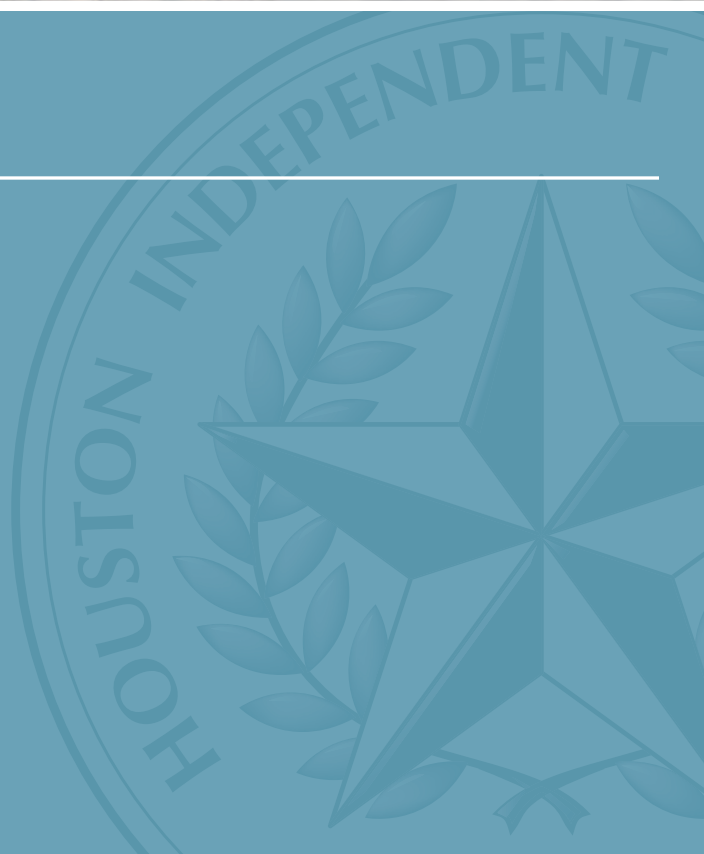
Sharpstown High School	Munoz Architects
Relief Elementary School	English & Associates
Sterling High School	SHW Group
Washington High School	Fanning Howey-House Partnership
Yates High School	Mood-Nolan/Huerta Associates
Young Men’s College Prep	Harrison-Kornberg

May 9, 2013 Board

DaBakey High School	WHR Architects Inc./Lake Flato Architects
District Athletic Improvements (Delmar only)	PBK Architects, Inc. aka PBK Sports
Dowling Middle School	Harrison Kornberg
Eastwood High School	Prosign, Inc.
HSPVA	Gensler
Parker Elementary School	Brave Architecture Inc.



Appendix



Bond Oversight Committee - Status Report 1/27/2015

At the first Bond Oversight Committee meeting of 2015, members heard an update on the bond program and the impact that soaring construction costs are having on HISD's plan to build or renovate 40 schools.

Since 2012, when Houston voters approved the district's \$1.89 billion bond program, the district has seen an average 44 percent increase in building costs, from about \$146 per square foot in 2012 to about \$210 per square foot today.

Much of that spike is attributed to the oil and building boom over the last several years, which caused the economy of Houston and much of the state to flourish, and brought an influx of commercial construction projects to the area, creating a huge demand for workers and materials.

Now that oil prices have fallen significantly, many expect construction costs to follow. Similar to feedback voiced by trustees at the January 22, 2015 board workshop, BOC members said one option could be to delay the bidding of some projects.

The district has already taken some steps to deal with potential budget gaps, including moving inflation and some reserve dollars to each school's construction budget. Each school in the bond program has its own unique project budget, separate from every other school.

Some schools are on target with their construction budgets and will move forward as scheduled. In the coming weeks, other schools will undergo a scope to budget review and HISD officials will analyze the various options for each project to determine the best path forward.

BOC members discussed the need to communicate the project status accurately in the online traffic light reports, and the importance of keeping Project Advisory Teams updated on the status of projects.



MEETING NOTES

MEETING: **Bond Oversight Committee Meeting**
2012 HISD Facilities Capital (Bond) Program

LOCATION: Hattie Mae White Educational Support Center
Conference Room 2E02
4400 West 18th Street
Houston, Texas 77092

DATE: 27 January 2015

TIME: 8:30 A.M.

PRESENT: **Bond Oversight Committee (BOC)**

Mr. Gary J. White
Mr. Martin Debrovner
Mr. D.V. "Sonny" Flores
Mr. Robert M. Eury
Mr. Craig Johnson
Mrs. Phoebe Tudor
Mr. David Quan
Ms. Jessica Diaz

Houston Independent School District (HISD)

Mr. Leo Bobadilla, Business Operations
Mr. Mark Miranda, Business Operations
Mr. Robert Sands, CFS
Ms. Sue Robertson, CFS
Mr. Dan Bankhead, CFS
Mr. Derrick Sanders, CFS
Mr. Andreas Peeples, CFS
Ms. Alexis Licata, Business Assistance
Ms. Sherrie Robinson, Controller
Ms. Tonya Savoie, Controller's office
Ms. Sylvia Wood, Communications
Ms. Christine Manrique, CFS
Ms. Mary Rochon, CFS
Mr. John Hill, CFS
Ms. Sara Butler, Bond Communications
Ms. Rebecca Kiest, Bond Communications
Ms. Jade Mays, CFS
Mr. Chris Barnett, CFS
Mr. John Gerwin, Construction Audit

ABSENT: Mr. Michael G. Davis

GUEST: Mr. Rodney Bell, Prime
Construction
Mr. Lee Dodson, Prime
Construction

The general purpose of the meeting was to brief the Bond Oversight Committee on the current status of the new construction and renovation projects funded through the 2012 Facilities Capital Program. Related issues, questions and activities were also discussed.

Item 1 **Welcome**

Robert Sands, CFS Officer, called the meeting to order at 8:35 a.m. and welcomed everyone to the meeting.

Item 2 **October 28, 2014 Oversight Committee Meeting Minutes**

The committee approved the minutes as presented.

Item 3 **Bond Construction Update**

Mr. Sands informed the committee that within the last three to four months issues with market inflation and the project budgets have developed. He noted that the presentation being shown to the Oversight Committee was previously presented to the Board of Trustees. He noted the presentation outlines HISD's efforts to address the high degree of escalation in

the construction industry and recommendations in order to meet the promises of the 2012 Bond Program.

Item 4 Rising Demand and 2012 Construction Costs

Sue Robertson, General Manager of Facilities Planning, noted the first point made to the Board during their recent workshop is that 2012 Bond program will deliver on all commitments.

Ms. Robertson reminded the committee that an economic boom such as the current one has not been seen in Houston since the 1980s. She noted that even though it is good for the City, it is not necessarily positive for the bond projects. The high demand for construction labor and materials has brought about unprecedented escalation. She reminded the committee of information shared in the previous Oversight Committee meeting. In 2012 the average cost for new school construction was about \$146 per square foot, according to the State Controller's Office. The 2012 bond project budgets were developed using an average of \$160 per square foot, the difference was to allow for inflation. In 2013 the average cost per square foot rose to \$153 and for the projects bid late in 2014 the cost reached \$210 per square foot, which is a 44% increase since the bond referendum.

Ms. Robertson reported on the efforts underway to address this budget gap while preserving the programmed spaces. 100 percent of the inflation funds and 50% of the project reserve funds within each project's budget have been reallocated into its construction budget. This results in an average of \$182 dollars per square foot for construction. Ms. Robertson noted however that this is still short of the funding needed given the current market. She stated that the team is reviewing each project to determine what cost saving methods can be implemented to allow the project to be built within the reallocated construction budget.

Gary White asked if the reallocation of the inflation and reserve budgets was done from a system-wide fund or from each project's budget. Ms. Robertson responded the reallocation was done within each project.

Sonny Flores asked about the process for determining that \$210 per square foot was the current construction cost. Ms. Robertson responded that the figure was based on design phase estimates and actual bids received. Dan Bankhead, General Manager of Facilities Design, also confirmed that early Guarantee Maximum Prices (GMP) from contractors also confirmed this square footage cost. Ms. Robertson noted that while the construction budgets have been reallocated, there has been no change to the overall \$1.89 billion program budget.

Craig Johnson asked how Group 1 projects that are underway are being affected. Ms. Robertson responded there are two categories within Group 1. One group includes projects that have been bid and a GMP within budget has been received and approved. The second group includes projects that have not yet bid or the GMP has not been submitted because it is not within budget. Mr. Sands noted those are a concern because there can continue to be a rise in construction costs.

Martin Debrovner asked if the approved GMPs were based on the original budget or the original budget plus inflation. He asked if funds from the inflation budget from a project under

contract could be used on a separate project. Mr. Sands commented that the revised budgets for all projects were developed using the same formula - the original budget plus 100% of the inflation budget and 50% of the project reserves budget. He stated that each project is budgeted individually and that to date no funds have been moved from one project to another. Ms. Robertson further clarified that each project has its own distinct budget and it is not the district's intention at this time to move unused dollars from one project to another.

Ms. Robertson noted that at each design submittal, every project undergoes a scope-to-budget reconciliation process to confirm that the design is affordable. This process involves the preparation and reconciliation of estimates from the Architect, the Construction Manager at Risk (CMAR) and the Program Manager. Once the estimates are reconciled and the design modified as necessary to keep the project within budget, authorization to proceed to the next design phase is given. Unfortunately in some cases, the actual bids have been significantly higher than the estimated costs. She noted that the reallocation of escalation and a portion of the reserves have addressed this gap for some projects. In others, it has provided a reduction in the gap sufficient so that after negotiations the budget and GMP align.

Ms. Robertson reiterated to the committee that budgets are not being reduced. Rather, while the overall project budget remains constant, the construction budgets are increasing. She noted that within the challenging market all efforts to meet the educational needs are being made. She stated that unanticipated events occur, so scope to budget alignment and negotiations with the CMAR will continue. Ms. Robertson reported that more effective communications with the school and PAT of the scope to budget issues are underway. Additionally, it was noted that various methods of communication for different communities will be used. As an example, Ms. Robertson remarked that in some communities the bond website is an effective communication tool while in other communities the church bulletin is the best way to share information. She noted the team is committed to determine which method of communication works best for each project and their community.

Ms. Robertson also noted that the evaluation of market trends and the strategic timing of the projects will be a focus for the team. She noted that during the workshop, the Board listed revisions in timing as an alternative to be considered. It was suggested that rather than accelerating the projects, it could be more economical to bid the projects when the economic conditions have cooled. This option is being researched. Ms. Robertson informed the committee that that no final decisions has been made. Additionally, she made it clear that no decisions will be implemented before the communication to the project's community, the Oversight Committee and the Board of Trustees has occurred. Ms. Robertson noted that the bond program is a process, not an event, patience is required as various options and solutions are explored.

Phoebe Tudor stated that it was her perception that communication had been successful until the fall of 2014 when there were periods of silence. Ms. Tudor noted that there were community reports of budget negotiations and changes made to projects. She noted her appreciation that the team intends to have good communication because rumors spread quickly. She stated her belief that's it is good to continue to find ways to communicate with the public. Leo Bobadilla, Chief Operating Officer, agreed with Ms. Tudor and noted that during the bidding and GMP process that it is often necessary to contain information during

the negotiations; however it is important to keep the community informed of the status of the project so that they are aware that progress is being made.

Robert Eury noted that in the committee's materials, there was discussion about moving quickly on Groups 3 and 4 projects in order to stay ahead of cost escalation. He stated that while it would be wise to accelerate the design, it would be better to determine when to start construction based on market conditions. He suggested that rather than accelerating construction that it could be prudent to delay it or rebid some projects in order to see improvement in the bids received. Mr. Eury suggested research at the micro-economic level to determine the trends with the construction market just not for institutional construction but heavy industry or other sectors also. Mr. Sands noted that any drop in the price of oil may produce a small dip in construction prices but other construction markets also heavily influence the cost of schools. He noted that the healthcare market is still huge and thriving. Mr. Sands acknowledged that when bids were received in November and December the reality of the current market was fully realized. Previously, it was thought that accelerating Groups 3 and 4 could be the best solution. However, he noted that the peak could be taking place currently so reevaluation and research of future cost trends while the designs are completed seems to be a wise course.

Mr. Eury stated that as design moves forward with Groups 3 and 4 projects it will be critical to clearly communicate the strategy. The various communities need to understand while the design could be finished well ahead of the initial schedule, that doesn't mean that construction will start immediately as was the case with Group 1.

Mr. Debrovner stated his belief is that there will be an economic slowdown but that It could be longer than anticipated before we start seeing a reduction in construction costs.

Mr. White stated that the team needs to continue to communicate with everyone that the program is a work in progress in the middle phases and not at the end.

Mr. Flores expressed that if he were a parent in a Group 4 PAT, he would start making calls if Groups 1, 2 or 3 were going to take money from Group 4 projects. Ms. Robertson agreed with Mr. Flores and stated that at this point there is no inclination or plan to do that. Mr. Sands noted that each project has an individual budget and that no one intends to move funds from one project to another. He noted that doing so would be a Board of Trustee decision.

Mr. White expressed concern with the traffic light report. He stated that even though the scope to budget process is underway on a project, it is reported as a green light, which the committee understands to mean the project is on track. He suggested that there needs to be an indication to the public and the committee that the project is facing issues but that they are being addressed. Mr. White stated that only projects that are within budget and on scheduled should be reported as a Green Light. Mr. Bobadilla recognized Mr. White's concern and noted that his team had also discussed this issue. He noted this was particularly true during the GMP process because until the negotiations are completed the traffic light status is not known. One possibility is to replace the traffic light with a note stating that GMP negotiations are underway. Once the GMP is approved, then the traffic light report would be updated.

Mr. Bobadilla stated the bond program will continue to be very dynamic; he stressed that it is not an event, it is a process. Mr. Bobadilla noted that it takes time to review each project, determine the issues and their magnitude and develop a plan to address them. Mr. Bobadilla noted his belief that the best option is to continue to move forward making decisions in the best interest of each of the school communities. He informed the Committee that at upcoming PAT meetings the agenda will include a budget presentation similar to that shown to the Board of Trustees and the Oversight Committee. Additionally, the principals of the schools have been made aware of the concerns and the path forward. Mr. Bobadilla noted that the team hears a lot of concerns from the school communities. He noted that the team is just as concerned but intend to deliver on the promises made. Mr. Bobadilla reported that the program remains as it was approved by the voters; \$1.89 billion. He reminded the committee that since the election 44% of the purchasing power has however been lost, but no project's construction budget has been reduced. He stated, in fact, they have been increased by the reallocation of other funds within the project.

Mr. White asked if there are any contingencies outside of each project's budget. He noted that the team has analyzed each project so that after any reallocation that the contingency that remains is enough to address unforeseen construction events. He noted that the alternative to reallocating the reserves was to make significant program reductions. The goal has been to find the proper balance between meeting the promises of the bond while maintaining a reasonable contingency for any unexpected issues.

Item 5 There being no further questions or discussion, the committee entered Executive Session.

The information outlined above reflects the author's understanding of the key discussions and decisions reached during this meeting. Should you have any additions and/or clarifications to these meeting notes, please notify the author in writing promptly. These notes will be relied upon as the approved record of the meeting, unless a written notice to the contrary is sent to the author within seven (7) days of the submission of these meeting notes.

Prepared by Construction and Facilities Services.

Office of Superintendent of Schools
Board of Education Meeting of March 12, 2015

Office of Business Operations
Leo Bobadilla, Chief Operating Officer

**SUBJECT: AUTHORITY TO NEGOTIATE, EXECUTE, AND AMEND
CONSTRUCTION CONTRACTS FOR 2012 BOND PROGRAM
MIDDLE SCHOOL RESTROOM RENOVATIONS**

The Houston Independent School District (HISD) 2012 bond election approved districtwide middle school (MS) restroom renovations.

The HISD Board of Education approved the design contracts for the MS restroom renovations on February 14, 2013.

Due to the size of these projects, the district determined it would be more efficient to divide the MS restroom renovation projects into different packages. Work on schools in Package 1 is already underway. Package 2 includes Johnston, Pershing, and West Briar; Package 3 includes Attucks, Deady, Fonville, Key, and McReynolds.

This project was advertised on November 15 and November 22, 2014. On December 16, 2014, the district received sealed bids for each respective package from the following responsive contractors:

<u>Package 2</u>	<u>Package 3</u>
Prime Contractors, Inc.	Prime Contractors, Inc. Division One

After evaluation in accordance with the procedures approved by the HISD Board of Education, Prime Contractors, Inc., was determined to be the lowest priced and most qualified proposer for both packages. Therefore, it is recommended this contractor be awarded a contract for the renovations.

It is recommended that the HISD Board of Education authorize the superintendent of schools or a designee to negotiate, execute, and amend all necessary contracts, including design and construction contracts, to implement these improvements at the eight different campuses included in Packages 2 and 3.

COST/FUNDING SOURCE(S): The total cost shall not exceed \$6,209,250 and will be funded by 2012 Bond Program funds.

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports HISD Goal 4: Increase Management Effectiveness and Efficiency and is aligned to Core Initiative 4: Data Driven Accountability.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY

RECOMMENDED: That the Board of Education authorize the superintendent of schools or a designee to negotiate, execute, and amend a construction contract with Prime Contractors, Inc. for 2012 Bond Program middle school restroom renovations, effective March 13, 2015.

Office of Superintendent of Schools
Board of Education Meeting of February 12, 2015

Office of Business Operations
Leo Bobadilla, Chief Operating Officer

**SUBJECT: ESTABLISHMENT OF BUDGET FOR FACILITIES ASSESSMENT
AND RELATED SERVICES AND AUTHORITY TO NEGOTIATE,
EXECUTE, AND AMEND A CONTRACT WITH A FACILITY
ASSESSMENT FIRM**

Periodically the Houston Independent School District (HISD) conducts a comprehensive facilities assessment followed by an update to that assessment a few years later. The HISD Board of Education approved a comprehensive facilities assessment in 1997 and later updated that assessment in 2001. Another comprehensive assessment was performed in 2006, followed by an update assessment in 2012.

Facilities staff is recommending a new comprehensive assessment of district-owned facilities. This new assessment will identify the condition of major systems and materials that affect the long-term performance and viability of HISD facilities. The assessment will consist of an updateable database containing the facilities condition assessment, cost estimates, recommended actions, and other essential facility information. The district will use the information to help plan for future capital facility investments.

To complete this assessment, the district will require the services of a firm that can support these efforts. In accordance section 2254.004 of the Professional Services Procurement Act of the Texas Government Code and Texas common law, a request for qualifications for facility assessment services was issued in November 2014. Responses were received from the following five responsive firms on December 2, 2014:

AECOM Technical Services, Inc.
Alpha Facilities Solutions, LLC
Heery International, Inc.
International Leading Technologies, Inc.
Rice and Gardner Consultants, Inc.

Pursuant to Texas Government Code Chapter 2254, and in consultation with legal counsel, the facility assessment firm selection followed a formal qualification review process. The HISD selection committee conducted an initial review of all submitted statements of qualification, and all five firms were invited to provide oral presentations. Through these procedures, it was determined that Rice and Gardner

Consultants, Inc. was the highest-ranked best qualified firm. Therefore, it is recommended that staff members begin negotiations with this firm and, if successful, enter into a contract for facilities assessment and related services.

In the event that the highest-ranked best qualified firm is unable to provide a fee proposal that is acceptable to the district, the superintendent of schools or a designee may terminate the negotiations and negotiate with the next highest-ranked best qualified firm(s) by order of ranking until an agreement is reached by the district. A budget of \$4,000,000 is requested for these services.

All firms will remain under consideration until a formal contract is agreed to and signed by all parties.

Approval of this board item will authorize the superintendent of schools or a designee to negotiate, execute, and amend contracts at a fair and reasonable fee.

Furthermore, approval of this item will authorize the superintendent of schools or a designee to negotiate, execute, and amend contracts with the next most-highly qualified firm should negotiations with the most-highly qualified firm be unsuccessful.

COST/FUNDING SOURCE(S): The cost shall not exceed \$4,000,000.00 and will be funded by GF1 Fund Balance

STAFFING IMPLICATIONS: None

ORGANIZATIONAL GOALS/IMPACT: This agenda item supports HISD Goal 4: Increase Management Effectiveness and Efficiency and is aligned to Core Initiative 4: Data-Driven Accountability.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education establish a budget in the amount of \$4,000,000 for facilities assessment and related services and authorize the superintendent of schools or a designee to negotiate with the highest-ranked best qualified firm(s) by order of ranking until an agreement is reached by the district and to execute and amend a contract for facilities assessment and related services, effective February 13, 2015.

Office of Superintendent of Schools
Board of Education Meeting of February 12, 2015

Office of Business Operations
Leo Bobadilla, Chief Operating Officer

SUBJECT: APPROVAL OF ADJUSTMENT IN THE BUDGET AND AUTHORITY TO NEGOTIATE, EXECUTE, AND AMEND ALL NECESSARY CONTRACTS RELATED TO CAPITAL IMPROVEMENTS AT WESTBURY HIGH SCHOOL

In 2002, the Houston Independent School District (HISD) acquired property to expand the Westbury High School (HS) site and acquired the right-of-way on Burdine Street. Also, HISD acquired a nearby 6.93-acre tract in August of 2010. This property was to be utilized for a public purpose, namely, for grounds for public school building(s) and appurtenances or additions thereto, playgrounds, athletic fields, green space, and/or parks in connection therewith. Under Chapter 21 of the Texas Property Code (21.101-21.103), HISD is obligated to utilize the property for its stated purpose within 10 years after acquisition or offer the previous owner the opportunity to purchase the property back at the price HISD originally paid for it.

To meet HISD's obligations on this 6.93-acre site and the acquired right-of-way, the district is proposing to utilize this property by developing athletic fields and other capital related improvements.

Additionally, the district has been monitoring soil conditions at Westbury HS, and temporary structural shoring was installed in the gymnasium and student dining areas in 2011. A recent assessment indicates that additional work is needed to the foundation of the auditorium and performing arts areas.

It is recommended that the HISD Board of Education approve the budget and authorize the superintendent of schools or a designee to negotiate, execute, and amend all necessary contracts to implement these changes at the school as noted above.

COST/FUNDING SOURCE(S):	The cost for this recommended action is not to exceed \$8,000,000 and will be funded from the proceeds of the sale of the 2012 bond program funds and/or the sale of real estate.
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STAFFING IMPLICATIONS:	None
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ORGANIZATIONAL GOALS/IMPACT: This agenda item supports HISD Goal 4: Increase Management Effectiveness and Efficiency and is aligned to Core Initiative 4: Data-Driven Accountability.

THIS ITEM DOES NOT REQUIRE CONSULTATION.

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the Board of Education approve an adjustment in the budget for capital related improvements at Westbury High School in an amount not to exceed \$8,000,000, and authorize the superintendent of schools or a designee to negotiate, execute, and amend all necessary contracts to implement these improvements, effective February 13, 2015.