



Minutes
2012 Bond Project Advisory Team (PAT) Meeting
Davis High School

MEETING #: 19

LOCATION: Davis High School

DATE / TIME: January 26, 2015 at 3:45pm

ATTENDEES: *(those marked with a check were present)*

<input checked="" type="checkbox"/>	Julissa A-Martinez	Principal	<input type="checkbox"/>	Princess Jenkins	HISD
<input type="checkbox"/>	Clay Clayton	HISD	<input type="checkbox"/>	Fernando Cisneroz	NCAA
<input type="checkbox"/>	Duane Clark	Asst. Principal	<input checked="" type="checkbox"/>	Anna Eastman	HISD Board
<input checked="" type="checkbox"/>	Mario Martinez	Parent - PAT	<input type="checkbox"/>	Halee Porter	HISD
<input type="checkbox"/>	Sandra Reyna	HISD - PAT	<input checked="" type="checkbox"/>	Carmen Nuncio	PAT
<input checked="" type="checkbox"/>	Nestor Martinez	HISD	<input checked="" type="checkbox"/>	Jerry Penchin	Visitor
<input checked="" type="checkbox"/>	Myla VanDuin	Visitor	<input checked="" type="checkbox"/>	Hugo Mojica	Alumni - PAT
<input checked="" type="checkbox"/>	Adaeze Ahene	Visitor	<input checked="" type="checkbox"/>	Janeka Russell	Visitor
<input checked="" type="checkbox"/>	DeAngela Hayes	Visitor	<input checked="" type="checkbox"/>	Shannon Wight	HISD
<input checked="" type="checkbox"/>	Chudi Abajue	Bay-IBI	<input checked="" type="checkbox"/>	Christopher Fields	HISD
<input checked="" type="checkbox"/>	Eric Jimenez	HISD Band	<input checked="" type="checkbox"/>	Sizwe Lewis	HISD
<input checked="" type="checkbox"/>	Eric Ford	HISD	<input checked="" type="checkbox"/>	David Waggoner	HISD
<input checked="" type="checkbox"/>	Louisa Meacham	HISD - PAT	<input checked="" type="checkbox"/>	Carmen Nuncio	Parent

PURPOSE: The purpose of this meeting was to discuss 2012 Construction Bond updates and issues.

AGENDA:

- Review 2012 Bond Construction Bond updates
- Review construction update presented at the Board Workshop.
- Review the Board's response
- What to expect at the next PAT meeting

DISCUSSION:

1. Mr. Fields reviewed the commitment of the 2012 Bond for Davis High School.
 - a. Davis High School will be a "new facility preserving the architecturally significant building for a building accommodating 1,500 – 1,700 students".
 - b. The program budget which the voters approved was \$46,764,000.
 - i. The construction budget, which is only a part of the program budget, encompasses abatement, demolition, site work, play fields, and the physical construction of the facility itself.
 - ii. The original construction budget was \$26,600,884.



2. Mr. Fields noted that the HISD Board of Trustees received a construction update during the last Board Workshop. This presentation was shared with the PAT and highlighted below. The presentation itself can be found at:

https://www.dropbox.com/s/nx9tp334gdhcx7g/PAT_Budget%20Update%202015.mp4?dl=0

a. Current Economic Climate

- i. Houston and the surrounding areas are experiencing the strongest and highest level of economic activity since the boom of the 1980s.
- ii. HISD and other school districts across Texas are experiencing soaring costs for construction; thus creating challenges to budgets set 2 years ago.
- iii. Eight articles about varying districts across Texas and the U.S. were distributed to the audience showing that all school districts are experiencing soaring construction costs.

b. Rising Demand

- i. Labor and materials are in rising demand due to the recent oil boom in Texas.
- ii. In addition to labor shortages, labor rates have increased roughly 45%.
- iii. Due to material shortages, material rates have increased roughly 40%.

c. 2012 Bond Construction Costs versus Today for K-12

- i. It costs, on average, 44% more to build schools today than it did only 2 years ago.
- ii. In 2011, K-12 schools' average cost was \$149 a square foot. The cost dipped in 2012 to \$146 and rose in 2013 to \$153 a square foot. The trend continued throughout 2014 and now the cost averages \$210 a square foot.
- iii. Some of our neighboring districts are receiving bids in the \$220 - \$250 per square foot range.
- iv. Inflation was built into the budgets for all HISD bond schools; however, no one anticipated 44% inflation in only 2 years.
- v. HISD budgeted an average of \$160 a square foot for the 2012 Bond projects, more than \$14 per square foot more than the average cost at the time. Inflation was accounted for in a separate line item of the project budget.

d. Scope to Budget Process

- i. Checkpoints are scheduled on all projects at schematic design, design development, and construction document submittals to compare the estimated cost with the budget.
- ii. The Schematic Design review for Davis High School revealed the estimated cost of the project was higher than the budget would allow. Construction costs increased significantly during the six months prior to this checkpoint.
- iii. Throughout the process, the District, the Architect and the Construction Manager at Risk worked to close the gap between the estimate and the budget. This process will be ongoing until the new school is complete.

3. Addressing the Gap

a. Mr. Fields reiterated that the team is working to reconcile Davis' scope to the project budget.

- i. For each of the 2012 Bond projects, HISD contracted with Construction Managers at Risk (CMAR) who not only will build the school but will review the documents and provide input throughout the design phase to maximize what will be constructed.

b. HISD reallocated funds within the project budgets to increase the construction budget line item.

- i. HISD included line items in the program budget for inflation and for reserves. The reserves are intended to cover any unforeseen conditions that might occur on the project.
 1. HISD increased construction budgets by reallocating the entire inflation budget into the construction budget, raising the average per square foot to \$175.



2. Fifty percent (50%) of reserves were added to the aforementioned cost per square foot, increasing the final cost per square foot to \$182. (Original construction budget + 100% inflation + 50% of reserves).
3. The reallocation results in a revised construction budget for Davis of \$31,385,368, an increase of \$4,784,484.
 - ii. 50% of the reserves remain in the overall project budget for unknowns.
- c. The 2012 Bond budgets, on average, still have a \$28 per square foot gap that HISD is working to close. Addressing that gap may require other strategies, but no recommendations or decisions have been made. District staff is working with the Board of Trustees on the best path forward. In the future, the PAT and community can expect:
 - i. Continued negotiations with contractor.
 - ii. Ongoing school communications with the latest updates.
 - iii. Evaluations of market trends to determine the strategic timing for a construction start.
 - iv. Continued evaluation of contractor prices to get the best prices in today's market.
- d. Mr. Fields asked that everyone be patient as the construction cost challenges are addressed.

QUESTIONS/ANSWERS:

1. Question: *Will some of the contingency money be used in the project?* Varying contingencies may be used if necessary. Project reserves were used to increase the construction budget.
2. Question: *Does HISD really want to answer the questions of the community?* Yes, of course. When reviewing the previous meeting's minutes, make sure your questions are addressed. If they are not found, please contact the principal and she will reach out to the project manager.
3. Question: *How do I get an email of the meeting minutes?* PAT members will be emailed copies of the minutes. Minutes are also posted on the bond website.
4. Question: *How do we establish who the official PAT members are?* HISD will look into it and verify who the original members were because it predates the Principal and the Project Manager.
 - a. Based on documentation from May 2014, the Davis HS PAT consists of the following individuals:
 - Richard Barajas – Principal (*Replaced by Principal Julissa Alcantar-Martinez*)
 - Louisa Meacham – Teacher
 - Mario Martinez – Alumni
 - Rebecca Wells – Dean of Instruction
 - Janet Izaguirre – Student (*To be replaced with another student, when applicable*)
 - Hugo Mojica – Alumni
 - Jennifer Wagner – Avenue CDC
 - Emily Cole – Community Member
 - Carmen Nuncio – Community Member
 - Sandra Reyna – Teacher
 - Amy Grimes – Teacher
5. Question: *What is the recommended percentage/amount of people that are to be on the PAT? i.e How many teachers, how many students, how many administrators.* This information is in the PAT Handbook and will be inserted into the minutes.
 - a. The PAT Handbook notes the following: Teams generally include eight to 12 members from the school community including: (12 is the recommended maximum, especially for a smaller high school like Davis)



Principal (1)
Students (1 - 3)
Teachers (1 - 2)
Staff (1 - 2)
Parents (1 - 2)
Community Members (1 - 2)
Also included on the team are:
Architect (2 – 4)
HISD Facility Planning, Design, & Construction Staff (3 – 5)

PAT members should be identified and serve as the core group to *advise* on the project. PAT members work together to provide *recommendations* on planning and design, and monitor renovation and construction projects.

6. Question: *Why are other schools getting extra space and Davis HS is getting less?* No school is getting extra space; program space is aligned with the construction budget.
7. Question: *The Fine Arts (Band) are getting less square footage than they have now and have come to terms with that. But why are they not getting the square footage they have now?*
 - a. During the meeting it was stated that HISD is looking at the different schools and their programs and seeing how to make each school more efficient in the future. Subsequent to the meeting, it was confirmed that the space program for Davis developed in conjunction with the school and with the input of the PAT allocates more space for the music program than exists at the school today.
8. Question: *Will the design that was created at the charrette change?* As noted at the time, the concept was preliminary and served as a starting point for the evolution of the design. The design process requires that scope and budget must be periodically aligned.
9. Question: *When did the architect tell HISD that the project was over budget?* HISD was made aware the preliminary design was over budget in October. The revised options were reviewed in December.
10. Question: *Why didn't they tell the PAT that there was construction budget problem?* The scope to budget process is lengthy and construction cost concerns were not discussed earlier with the PAT because the process was not complete. Also, the budget was being reallocated during that time.
11. Question: *There was no communication between November and January. To the people of Davis HS and the PAT, the project seems to have stopped. Where are things on the project?* Mr. Martinez noted property acquisition is moving forward. Traffic study, hazmat assessments, and other consultants are retained or in process of being retained, and that work is ongoing.
12. Question: *Is the land being purchased?* Trustee Eastman stated the process is ongoing but there are negotiations and it may be necessary to use the eminent domain process before the purchase is completed.
13. Question: *Hugo Mojica believes the community is not receiving answers. The community has been told by HISD they will provide answers. The discussion that followed was related to the parking variance process. Mr. Mojica said he was told the number of parking spaces was higher than the 232 provided.* HISD representatives explained that the higher number was not incorrect, a higher number



was required by the City and is the reason for the parking variance. There were other modes of transportation, including public transportation, as well as other factors, that allowed for an adjustment of required parking spaces. The dollar amount saved on parking is available within the construction budget for other building needs for Davis.

14. Question: *Is the land acquisition driving the design or is it vice versa?* Land acquisition will assist in the final design.
15. Question: *If the original land is not purchased, then what other land will be purchased?* Offers have been made on the properties, and acquisition is well under way.
16. Question: *What is the best way to obtain answers to questions that were not addressed?* The Principal should communicate with the Project Manager.
17. Question: *Will HISD make this an action item to answer the questions in the meeting?* HISD representatives will address questions sent to them by the Principal.
18. Question: *The questions that are in the group emails, will they be responded to as a group email?* All questions should come from a single source, the Principal.
19. Question: *Will the PAT receive notice of any future meetings in advance?* Formal meeting invitations will be sent out well in advance. HISD representatives acknowledged the fact that today's meeting was an anomaly.

ACTION ITEMS:

- 19-1 Review the questions above and answer any that were not addressed in the meeting.

WHAT TO EXPECT AT THE NEXT PAT MEETING:

1. *To be determined*

NEXT PAT MEETING: The next PAT meeting will be held on Monday, February 16, 2015 at 3:45pm.

Please review the meeting minutes and submit any changes or corrections to the author. After five (5) days, the minutes will be assumed to be accurate.

Sincerely,

Nestor Martinez

Sr. Project Manager
HISD – Construction & Facility Services
3200 Center Street, Houston, TX 77007
Phone: (713) 556-9261
Email: nmarti18@houstonisd.org