MINUTES
2012 Bond Project Advisory Team (PAT) Meeting
Worthing High School

MEETING #: 23
LOCATION: Worthing High School
DATE / TIME: February 2, 2015, 4:30 pm
ATTENDEES: (those marked with a check were present)

<table>
<thead>
<tr>
<th>√ Ron Roberts</th>
<th>Clay Clayton</th>
<th>Juana Espino</th>
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<tbody>
<tr>
<td>Princess Jenkins</td>
<td>Sue Robertson</td>
<td>Monica Herbert</td>
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<td>Gloria Barrera</td>
<td>Dan Bankhead</td>
<td>Kim Hager</td>
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<td>Jim Beal</td>
<td>John Modest Jr.</td>
<td>Martha F. Lewis</td>
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<td>Kedrick Wright</td>
<td>Rhonda Booker</td>
<td>Howard Morrin</td>
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<td>Giovanna Pennick</td>
<td>√ Noe’ Almgauer</td>
<td>Lorie Westrick</td>
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<td>Billie Wesley</td>
<td>LaTonya Perry</td>
<td>Gleen Jarrett</td>
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<tr>
<td>Lloyd Hart</td>
<td>Alaa Alysari</td>
<td>Rajone Lyman</td>
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<td>Brandon Ellis</td>
<td>√ Hubert Ricard</td>
<td>Michael Garfield</td>
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<td>Denetris Jones</td>
<td>Melvin Lovelace</td>
<td>Juana Espino</td>
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<tr>
<td>Joe Tomaseelli</td>
<td>√ Peter Coleman</td>
<td>Cheryl Hughes</td>
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PURPOSE: The purpose of this meeting was to discuss the current 2007 construction and 2012 design reviews.

AGENDA:
- Receive an update on the 2007 Addition Construction
- Discuss 2012 building Design Development
- Review Schedule for 2007 to 2012 transition
- Discuss a time for review of the current drawings with specific departments
- Review service yard modifications
- Review BCR room changes in 2007 Addition
- What to expect at the next PAT meeting

DISCUSSION:
1. KWAME, HISD Program Manager presented a video from HISD Construction and Facilities Services. The video discussed construction impacts across the 2012 HISD Bond projects caused by inflation, increase in costs of labor and materials, and design and construction schedules.
2. KWAME reviewed the commitment of the 2012 Bond for Worthing High School.
a. Worthing High School will be a “new facility that will incorporate the new two-story classroom wing for a campus accommodating 1,100 – 1,300 students”.

b. The program budget which the voters approved was $30,180,000.
   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.

3. The original construction budget was $16,773,441.

4. KWAME noted that the HISD Board of Trustees received a construction update during the last Board Workshop. This presentation was shared with the PAT and is highlighted below. The presentation itself can be found at: https://www.dropbox.com/s/nx9tp334gdhc7g/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. Construction Document review 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.

5. Addressing the Gap
a. The Program Manager reiterated that the team is working to reconcile the 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 during the design phases review the documents and provide input to maximize what will be constructed.
   ii. The final contract for the GMP (Guaranteed Maximum Price) with the CMAR is still being negotiated.
      1. Bids that are being received are not as low as originally anticipated due to the increased construction activity in the oil and gas industry.

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).
   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.

6. The PAT requested that the video be uploaded to their school website to inform the community. The video can be accessed at the link

7. BC3i, Construction Manager at Risk (CMAR) provided status of construction for Phase 1, 2007 Addition:
   a. Concrete slab for the 2nd floor has been poured in Area D.
   b. Steel erection is in progress as well as metal roof deck in 2nd Floor, Area E.
   c. BC3i's office trailer is scheduled to be moved to another location in the next weeks to clear installation of the transformer pad and other services.
   d. BC3i will look for ways to expedite the demolition phase once they receive the logistics plan from Cherry Demolition/Cherry Environmental. The abatement and demolition logistics and phasing will be presented to the PAT once BC3i finalizes the planning.

8. Construction activities will not impact summer school for 2015. The 2016 summer school will be held in the new 2007 Addition.

9. The Building Communication Room (BCR) will be relocated from the 3-story Classroom Building to the 2007 Addition. The new BCR Room will increase size to 19’x24’ as this facility will be a hub for more than 30 campuses. Molina Walker Architects (MWA) will revise the plans to increase the area of the planned BCR room by repurposing a portion of the adjacent storage room.

10. The BCR will be connected to the new emergency generator for back-up power.

11. It was reported that the 2012 project Design Development (DD) package is being reviewed and commented on by HISD. The DD plans on the HISD review website for review and comment.

12. Worthing High School will coordinate time for MWA and KWAME to review the DD plans. The team will meet with Visual Arts, Athletics, JROTC, Food Service, and Visual Arts. It was noted that the school currently does not have a JROTC Director. MWA will also discuss display cases locations during this meeting.

13. MWA stated they will review color selections for the 2007 Addition at the next PAT meeting in March.

14. It was reported that the transition time for the 2007 Addition to complete construction and construction to start on the 2012 Replacement is scheduled for December, 2015. Internal Air Quality (IAQ) testing for LEED will be coordinated before the new furniture is delivered to 2007 Building.

ACTION ITEMS:
23-01 Coordinate discussions with HISD Athletics regarding temporary locations (KWAME, A&E)
23-02 Coordinate department review times for 2012 wing (PAT and Program Manager)
23-03 Review and get approval on Color Boards from HISD (A&E)
23-04 Coordinate getting budget presentation on the Worthing HS webpage (Program Manager)

WHAT TO EXPECT AT THE NEXT PAT MEETING:
1. The Architect and Program Manager will review the project status.
2. Review of finish and color boards.

NEXT PAT MEETING: The next PAT meeting will be Monday, March 2, 2015 at 4:30pm.
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,

Jim Beal
Program Manager
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