

DSA/OPSC Program Review Expert Workgroup Meeting Minutes

August 18, 2010 1:00 p.m. – 5:00 p.m.
Ziggurat, 8th Floor Executive Board Room

In attendance:

Expert Workgroup Members

Stephen Amos, DGS (Chair)
Kathleen Moore, CDE (Vice Chair)
Lindle Hatton, CSUS (Facilitator)
David Thorman, DSA
Lisa Silverman, OPSC
Chris Ferguson, DOF
Scott Gaudineer, Flewelling & Moody Architects
Stuart Drown, LHC
Joel Montero, FCMAT
Gary Gibbs, CBIA
Ted Toppin, PEGG
James Sohn, LAUSD (Also Closeout Sub-Group Chair)
Bill Savidge, West Contra Costa USD (Also Design
Sub-Group Chair)
Tom Duffy, CASH
Edgar Cabral, LAO
Dick Cowan, Davis Reed Construction
Assemblymember Jean Fuller, SAB (via
teleconference)
Estelle Lemieux, CTA

Sub-Group Chairpersons

Carri Matsumoto, Long Beach USD
Laura Knauss, Lionakis
Jenny Hannah, Kern COE (via
teleconference)
James Sohn, LAUSD (Also an Expert
Workgroup member)
Bill Savidge, West Contra Costa USD
(Also an Expert Workgroup member)

Additional Attendees

Eric Bakke, LAUSD
Jason Bryant, CBIA
Patti Herrera, Murdoch, Walrath & Holmes
Craig Rush, DSA (via teleconference)
Lisa Kaplan, SAB
Shanna Everts, SAB
Jordan Aquino, DSA
Rebecca Kirk, OPSC (Note-taker)

Introduction:

- Introductions / Acknowledgements
- Chair Opening Remarks
 - Thank you to the sub-group chairpersons and acknowledgement of their leadership in completing the charter documents to be discussed.
 - One of the primary cross-cutting issues identified in four of the six sub-groups relates to the need for collaboration and communication between all parties. The importance of collaboration to the program review itself was also discussed.
 - Data and statistics were discussed:
 - \$5.2 billion in remaining bond authority could create 130,000 new jobs – need to effectively facilitate the expeditious distribution of these funds
 - Of the Division of the State Architect's (DSA) pending modernization workload, 406 projects totaling \$843 million could be held up due to previously uncertified construction
 - The Office of Public School Construction (OPSC) currently has over \$1.3 billion in active apportionments sitting in its

accounts, and the majority of this amount could potentially sit in the accounts until October 2011.

- There is a need to find solutions to these billion dollar challenges, and the Expert Workgroup's participation is part of this process.
- Change of Scope / Calendar
 - The Chair stated that, in response to concerns expressed by some State Allocation Board (SAB) members regarding duplicating the efforts of the SAB subcommittees, the Program Review will not move forward with Phase II issues (audits, appeals, and performance metrics). This change will also allow additional time to focus on the Phase I issues.
 - In response to an inquiry regarding when Phase II issues may be examined, the Chair responded that the work of the SAB subcommittees may be complete in September. Upon completion of the subcommittees' efforts, the Expert Workgroup will meet to discuss whether there is a need for Phase II of the Program Review.
- Vice Chair Comments
 - In looking at solutions, there is a need to consider the students, parents, and staff members at the schools.
 - Thank you to the sub-group chairs and members for the impressive amount of work they have done.
- Additional Opening Remarks
 - A comment was made regarding the need for policy changes and adequate staffing at the OPSC and DSA.
 - The Facilitator reviewed the calendar, highlighting upcoming Expert Workgroup meetings and deliverables.
 - The Facilitator explained that each sub-group identified generally 10 issues, but time only permitted the sub-groups to work through solutions for the top five issues.
 - An inquiry was raised regarding whether there would be an opportunity for additional solutions to be proposed beyond the Program Review's conclusion at the end of September. The Chair responded that the Program Review is intended to be an open dialogue and collective discussion to revisit the identified issues to find solutions.
 - Discussion occurred regarding sustainability of the process. The Vice Chair requested that a discussion of ways to sustain the Program Review process be included in the agenda for the next Expert Workgroup meeting. It was also suggested that the report include next steps for sustainability to ensure that it is a living document and a living process.
 - A comment was made that the recommendations developed in the Program Review do not constitute fiscal commitments to fund the

recommendations, and that the Legislature would have to play a role in vetting funding commitments.

- The Facilitator gave an overview of the sub-group process, which had a strong orientation to the customer perspective.

Review of Sub-Group Charters:

- Planning
 - Following the Planning Sub-Group, the Planning Chair shared suggestions for making the sub-group process more responsive to customers, and these suggestions were adopted for the subsequent sub-groups. The Planning Sub-Group's customer members were given the opportunity to reprioritize their identified issues.
 - The Planning Chair stated that the reprioritization was conducted with the customers' perspective, and if there had been time for further discussion, more of the main issues could have been addressed.
 - The Facilitator explained that due to the reprioritization that took place, some of the issues that came forward as higher priority issues do not have solutions identified, while some of the issues that became lower priority do have solutions identified.
 - The Facilitator stated that this sub-group did not specifically classify their proposed solutions as legislative, regulatory, policy, or procedural.
 - The following problems/issues on the Planning Sub-Group Charter were clarified by the Planning Sub-Group Chair:
 - Regulation changes: in response to a customer concern when program changes occur after design is already underway.
 - A comment was made that this may be related to eligibility issues, and that regulation changes should have an opportunity for a grandfathering period.
 - Addressing eligibility issues: May be considered a subset of the identified issue "disconnect between programming and finance," but was identified separately because it may have more short-term solutions. The primary question for this item is whether eligibility is in line with districts' needs.
 - Disconnect between programming and finance: includes disconnect between local level issues and State programs, local level requirements vs. State funding.
 - Expanding role of agencies beyond their charge: relates to a need for clarification on the required roles of each specific agency, and which areas are outside of each agency's legal responsibility.

- Re-examine site selection process and standards: issues were raised regarding the building sites relative to DSA, but the sub-group did not discuss this item in detail because it was not considered a priority issue from the customer perspective.
 - The Planning Chair stated that the customer composition of the sub-group, which consisted of two K-12 district representatives and one community college representative, made the perspectives difficult to balance. Although the identified problems/issues were reprioritized, they may not be as reflective of the community college perspective.
 - A question was raised regarding whether the timeline for implementing a proposed solution, development of a standardized tracking number across all agencies and one website, was considered intermediate rather than short term. In response, it was stated that all technology projects require a feasibility study to be submitted to the California Office of the State Chief Information Officer. It was also suggested that building off of the existing Project Tracking Number could be considered in the short term.
 - The Facilitator provided the opportunity for public comment from the remote audience and additional participants. There was no public comment.
- Design
 - The following problems/issues on the Design Sub-Group Charter were clarified by the Design Sub-Group Chair:
 - Lack of single point of contact: a wide range of solutions was proposed, starting with a common tracking number and moving toward the creation of a single, unified agency for school construction. The recommended solution of appointing an ombudsman could serve as a transitional step.
 - Community College process/perceived scope changes: community colleges budget and identify project scope prior to beginning the design process. Any changes can create hardship.
 - Architects, documents, and fee structure: relates to design phase issues regarding architectural services, including the indemnity and liability of architects, costs and risks, and quality of services. Architects have a unique role in the process as the primary private sector participant.
 - An inquiry was raised regarding whether only the top five identified problems/issues from each sub-group would move forward. The Facilitator responded that the Expert Workgroup members would discuss this issue and make a determination at the next meeting on September 8, 2010.

- An inquiry was raised regarding whether the Expert Workgroup members could reprioritize the sub-groups' identified issues. The Facilitator responded that this option is available if it is the consensus of the Expert Workgroup.
 - The Facilitator provided the opportunity for public comment from the remote audience and additional participants. There was no public comment.
- Plan Review
 - The Plan Review Chair discussed the composition of the sub-group, noting that one customer participant was not present. The Facilitator stated that multiple attempts were made to contact and include this customer participant.
 - The Plan Review Chair suggested that a separate track should have been considered for the community college process since community colleges operate under a very different facilities process. A suggestion was made that the community colleges' single point of contact for facilities be considered as a model for the K-12 facilities process.
 - The following problems/issues on the Plan Review Sub-Group Charter were clarified by the Plan Review Sub-Group Chair:
 - Access compliance/No field operation/Stops at plan review: in regards to concerns about access compliance projects and closeout methods.
 - Construction process field review/Code interpretation/Final authority: relates to field interpretation issues, post field reviews, or field trip notes on a complete project.
 - Electronic plan check: this item referred to expanding technology in general, such as increased email communication, a consistent tracking number, and the current inability of agencies to conduct electronic plan checks. This topic referred to whether there is an ability to expand or enhance technology within currently available resources.
 - Unrealistic timeframes/Funding/Ready access: relating to timeframes for district design teams and State agencies.
 - In response to an inquiry, the Plan Review Chair stated that needs for adequate staffing and to reduce DSA bin times were expressed, but that the cost impact was recognized.
 - The Plan Review Chair expressed that this problem/solution was also related to another problem/solution, "timing, quality & completeness of submittals/project ownership."
 - Clarification was provided regarding the mention of "collaborative process" as a problem/issue and under "What

is Working” on the charter. The “collaborative process/interagency” problem/issue is in regards to the need for collaboration between agencies. The item “collaborative process works when used” under “What is Working” refers to DSA’s collaborative process.

- A statement was made that “annual training workshops” was a solution proposed by several sub-groups. The Plan Review Chair stated that there was general consensus among customer and stakeholder participants that these workshops should be jointly presented by the State agencies.
 - A suggestion was made that State agency participation in Coalition for Adequate School Housing (CASH) workshops could contribute to the proposed solution to establish annual training workshops, and that State agencies should reconsider participation in CASH workshops. Discussion ensued regarding balancing interaction and training with concerns about State work in a proprietary environment, and the need to have a broader message in the public domain.
 - An inquiry was raised regarding the scope of the Office of State Audits and Evaluations (OSAE) audit currently underway at the DSA. The Expert Workgroup Chair responded that this audit will focus on monitoring workload and performance metrics development. The scope was originally focused on bin time, and the DSA proposed that it be broader. The OSAE audit will examine various aspects of the DSA process to provide recommendations.
 - The Facilitator provided the opportunity for public comment from the remote audience and additional participants. There was no public comment.
- Funding
 - The following problems/issues on the Funding Sub-Group Charter were clarified by the Funding Sub-Group Chair:
 - Lack of definition of an adequate school/minimum essential facilities for School Facility Program projects: this item is not intended to take away local control, but to inform the discussion of what districts are intended to be able to build with the State funds provided.
 - Eliminate special interests that siphon funding/new programs: this item was suggested by a customer representative.
 - Full and final: this item was suggested by a stakeholder representative in regards to issues when districts cannot receive funding adjustments.
 - Specialists for county offices of education: there is a broad understanding of districts in the program, and county offices

of education are often misunderstood. There may have previously been specialists in this area.

- Insufficient level of expertise, best practices, education: for all stakeholders: level of expertise issues apply for all involved parties.
 - Discussion occurred regarding the proposed solution “Best practices approach: State to offer optional, pre-approved construction plans for school districts to access.” It was noted that there are current statutory provisions allowing this, but that the option is not well known or often utilized. The proposed solution was intended to minimize soft costs for districts. It was stated that this concept was also discussed in other sub-groups, but concerns were expressed regarding site differences, local issues, meeting the needs of specific local programming, and whether there would be a need for DSA re-review if there had been a Code change. The Funding Sub-Group Chair explained that the solution would not always be cost effective or appropriate, but would offer a resource for those who need it. It was emphasized that grant amounts would not be affected if districts chose to use the plans, and use of the plans would be optional.
 - The Funding Sub-Group Chair discussed the composition of the sub-group and expressed that one of the customer representatives had minimal experience with the program.
 - Clarification was requested regarding the equity concerns resulting in the proposed solution for a “collaborative process to establish a more equitable standard that offers more flexibility.” The Funding Sub-Group Chair responded that the solution is in regards to site development not being fully funded and accessibility requirements. In general, the concept was to continuously evaluate what the grant is building and the grant requirements.
 - The Funding Sub-Group Chair discussed the proposed solution to establish a “collaborative process to establish a standard for type of construction (incentive for long-lasting construction)” and the importance of considering life-cycle costs.
 - The Facilitator provided the opportunity for public comment from the remote audience and additional participants. There was no public comment.
- Bidding & Construction
 - In response to an inquiry regarding the proposed solution to “raise the dollar value threshold for agency involvement (\$250,000),” the Construction Sub-Group Chair stated that the current threshold amount is \$32,000 for DSA review.
 - The following problems/issues on the Construction Sub-Group Charter were clarified by the Construction Sub-Group Chair:

- Alternative project delivery regulations: districts statewide are using alternative project delivery processes, but regulations do not reflect the way districts are buying their design and construction.
 - Pre-qualification of bidders and award: bidders can currently be pre-qualified, but it is difficult and is not working well.
 - 4-306 requirement for DSA approval prior to contracts is limiting: DSA approval is currently required prior to contracts being signed. Construction and inspection cannot occur before DSA approval, but districts should be able to enter into contracts without waiting for approval.
 - DSA- Construction is a step-child/construction management, document approvals are slow/data not visible: the current turn-around time for deferred approvals is unknown, which makes it difficult to know whether it is improving. This should be an easy fix for DSA through document control.
 - Prohibition on increments and deferred approvals is problematic: some industry best practices have been prohibited because they are difficult, rather than being worked on.
 - Discussion ensued regarding deferred approvals and whether they should be prohibited or if it is costly to move away from them and preferable to use alternative delivery methods up front.
 - An inquiry was raised regarding the proposed solution to implement “Customer school/educational workshop for State agency employees.” The Construction Sub-Group Chair responded that the “customer school” would enable State agencies to learn about local facilities issues, processes, and impact in order to better understand districts’ questions. District and architectural representatives in the sub-group expressed willingness to conduct “customer school” at regional offices to ensure accessibility by agency employees.
 - The Facilitator provided the opportunity for public comment from the remote audience and additional participants. There was no public comment.
- Move-In & Closeout
 - The Closeout Sub-Group Chair discussed the impact of projects closed without certification on the district’s new modernization projects. Only 10 percent of the district’s completed projects have been closed out, and there are 5,000 change orders associated. The closeout issue is costly and creates significant administrative burdens. The closeout process cannot keep up with the rate of project completion.

- A suggestion was made that local level inspectors could be empowered as the responsible entity for closeouts, and that this change could be done prospectively as well as retrospectively, to address projects that are currently held up.
- The Closeout Chair stated that with the help of DSA, plans are in place to streamline and pursue alternative direct observation to determine adequacy of construction.
- A suggestion was made that the proposed solution to “allow design professionals, the DSA approved Inspector of Record, or the DSA structural engineer to certify adequacy of construction” should be the top solution considered.
- The Expert Workgroup Chair opined that the issue of projects being held up due to previous projects closed without certification is the number one problem in terms of systemic failure, and needs to be addressed. There are 12,000 total projects closed without certification at DSA. This is a costly problem with shared consequences and responsibility.
- An overview of changes underway to begin to address the closeout issue was discussed, including proposed emergency regulatory changes that may be approved this month. Another potential solution being explored is a pilot program with the school district most impacted by the closeout issue.
- A suggestion was made that an amnesty period for buildings over 20 years old could be established.
- The need to expedite and immediately address any health and safety projects held up by the closeout issue was emphasized. In response to an inquiry, it was clarified that health and safety projects in this capacity involve seismic safety issues, potential fire safety issues, restroom facilities, HVAC, and structural issues.
- The Facilitator provided the opportunity for public comment from the remote audience and additional participants. There was no public comment.

Conclusion / Next Steps:

- Issues / Solutions
 - The Facilitator provided an overview of the matrix document, which demonstrates the 44 individual problems/issues identified in the sub-groups. Five of these issues were identified by more than one sub-group.
 - The Facilitator stated that the matrix document can be reviewed in advance of the September 8, 2010 meeting in order to provide guidance for the Expert Workgroup members to determine the primary focus of the Program Review.

- A suggestion was made to utilize a structured email process to consider the matrix document in advance of the September 8 meeting.
- A comment was made that some items on the matrix document could be further converged.
- The Facilitator suggested that the Expert Workgroup members review the matrix to identify their most common top five problems/issues.
- What is Working
- Survey / Evaluation
 - The Facilitator introduced the survey document, which was distributed to customer representatives from the six sub-groups.
- Closing Remarks
 - The Facilitator stated that the issues/solutions, what is working, and survey/evaluation documents are intended to begin the transition to the next Expert Workgroup Meeting.