

REPORT OF THE EXECUTIVE OFFICER  
State Allocation Board Meeting, September 25, 1996

STREAMLINING OF ADMINISTRATIVE PROCEDURES

Certain administrative procedures could be modified to place ownership for completion of proper documentation to the districts. Districts would still be required to complete this documentation at the local level, the eligibility criteria would not change and there would still be an audit by the Office of Public School Construction (OPSC) to assure that expenditures were properly made. Modification of existing procedures will assist to expedite the application process, ensure timely release of funds and assist the OPSC staff as a result of downsizing. Administrative items that could be modified are as follows:

1. Release of planning funds upon receipt of Form SAB 518 (Agreement to Lease), certification from the district that the project conforms with the California Environment Quality Act (CEQA) and the district funds are on deposit (50/50 projects only). Release 25 percent of planning funds without CEQA certification at district's request. The architect's agreement and the California Department of Education (CDE) approval letter must still be submitted prior to bid approval.

The Current process for release of planning funds requires the district to submit Form SAB 518 (Agreement To Lease), an architect's agreement, a certification of district funds on deposit (50/50 projects only), CEQA certification and the CDE approval letter of the preliminary plans. At district's request, 25 percent of the planning funds will be released without the CEQA certification.

2. Release the construction funds after bid approval by the SAB, certification of district funds on deposit (50/50 projects only) and a district certification that the remaining construction documents noted below are complete and available for audit.

The current process for release of construction funds require that the district submit a copy of the fully executed construction contract, labor/material bond, performance bond (with admitted surety), compliance with the Disabled Veteran Business Enterprise requirements and a certification that the district funds are on deposit (50/50 projects only).

3. Release of site funds after approval of the purchase price by the SAB, submittal of a legal description of the real property to be acquired and certification of district funds on deposit (50/50 projects only). Districts must submit the escrow instructions within 60 calendar days from release of site funds.

The current process for release of site funds require that the district submit the proposed escrow instructions (with district's legal counsel's approval), purchase agreement, legal description of the real property and certification of district funds on deposit (50/50 projects only). In the event of a stipulated judgment, a Summons and Complaint, lis pendens and preliminary and final stipulated judgment are also required. If there is a court award, a Summons and Complaint, lis pendens and notice of trial date are also required.

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4. Allow districts to self-certify compliance with the Disabled Veteran Business Enterprise program requirements for all applicable contracts. This modification of administrative procedure will not affect any of the existing Disabled Veteran Business Enterprise requirements or SAB policy.

The current process requires that the district submit all appropriate Disabled Veteran Business Enterprise documents to the OPSC for review and approval prior to the award to the lowest responsible bidder that meet the Disabled Veteran Business Enterprise provisions.

5. Consider the development of an overall allowance (excluding site acquisition, site development costs and utilities) for new construction projects based on established SAB allowances for the building, educational technology, planning, general site development, unconventional energy, F&E, tests, inspection and other necessary costs. Once established, the entire allowance would be available to the district to complete the project as approved by the SAB. The district would not be able to request any additional funding from the SAB for cost overruns.

The current process requires the OPSC to calculate fees separately for the architect, construction manager, energy consultant, constructability reviews, Division of State Architect (DSA) fees, CDE fees, administrative expenses, furniture/equipment and contingencies. Additionally, allowances are calculated for each project that address the specific building area of the project, unconventional energy costs, demolition, general and service site development, off-site development, utilities, fire suppression needs, educational technology and ineligible items to be paid separately by the district. After allowances are developed, they are adjusted for construction management fees, the HSI, excess architect fees, site support costs and all applicable construction cost indexes and urban adjustment allowances.

6. Consider the development of an overall allowance for modernization projects similar to that addressed in Item 5.

The current process for determining the allowances and the total cost of modernization projects are similar to item #5.

7. Modify and streamline the self-certification process and make it mandatory for all applications requesting priority one status. Requiring districts to use the self certification process will assure that all applications are submitted to the SAB for approval in a timely manner. The staff and the SAB Implementation Committee have developed a revised process for self certification (see Attachment). Staff is currently completing the self certifying application package for distribution to districts no later than October 30, 1996.

The current process provides that districts may submit an application based on the self certification process; however, due to the complexity of the application process and the onerous requirements, very few self-certification applications have been approved to date.

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Approval of all the modifications of administrative functions noted in items 1 through 7 above will reduce 13 of the 64 steps (approximately a 20 percent reduction) currently identified in the Lease-Purchase application process.

### RECOMMENDATIONS

1. Approve the streamlining proposals identified in items one through four.
2. Direct staff, with assistance from the SAB Implementation Committee to consider the development of a overall project cost allowances that will streamline the application process for all new construction and modernization projects for consideration by the SAB at a later date.
3. Accept the revised Self certification process identified on the Attachment and,
  - a. Require that all 50/50 applications amended or initially approved for Phase P out of the next bond issue must utilize the self-certification application process.
  - b. Any 50/50 non self-certified application not approved by the SAB for Phase P out of Proposition 203 funds must utilize the self-certification application process.
  - c. Direct staff to complete the self certification application package and make it available to districts no later than October 30, 1996.