

**DEPARTMENT OF GENERAL SERVICES
OFFICE OF PUBLIC SCHOOL CONSTRUCTION**

1130 K STREET, SUITE 400

SACRAMENTO, CA 95814

<http://www.dgs.ca.gov/opsc>

January 9, 1998

Mass Mailer #98-01

To: All School Districts and County Superintendents and Architects

Subject: **STREAMLINED REVIEW OF PLANS, SPECIFICATIONS AND COST ESTIMATES**

As part of our ongoing effort to provide faster, more efficient service to our clients, the Office of Public School Construction (OPSC) is introducing the first of several changes to the plan review process of the Change Order and Construction Allowance Team (COCAT) designed to increase the effectiveness of the process.

Effective January 1, 1998, the form package 74 GRM, which incorporates the forms for determining the construction cost allowance, should be completed by the district architect. The OPSC is now making available these calculation spreadsheets and forms that were previously completed only by the OPSC. This form package will be available for downloading from our Web Page in Microsoft Windows Excel beginning in January 1998. This change should substantially speed up the process and give architects and school districts more complete information relative to the State Allocation Board's cost allowances at the time of filing applications.

Also, attached on a related subject are the new construction and modernization guidelines for architects to use in developing project cost estimates on Forms SAB 506A and B. These guidelines set forth the acceptable SAB cost standards for Utility Services, Fire Code Allowances, Off-site and Service Site parameters, and Handicapped Access compliance. Cost estimates which exceed these standards will still require justification. Ineligible work must still be clearly identified on the cost estimate and be a part of the lump sum bid, subject to proration.

In order to facilitate the expeditious review of project planning documents, please observe the following guidelines beginning January 2, 1998:

- ◆ Complete plan submittals¹ need to be sent to OPSC, whether in electronic (Internet E-mail), diskette, or hardcopy form, or in some combination.
- ◆ The OPSC will begin reviewing plans and 3A diagrams using AutoCAD 14 with the AutoMap reader. We will also be accepting them in hardcopy form.
- ◆ Specifications must be submitted on diskette with separate subfiles for each division. We will no longer be accepting hardcopy versions.
- ◆ The cost estimates, Forms SAB 506A and B, may be produced in Excel, Lotus or hardcopy formats and will be available in Excel from our Web Site in January.
- ◆ Documentation will continue to be sent to the Project Manager.
- ◆ The OPSC will endeavor to respond to submittals in the form in which they are submitted.

¹ Planning documents include final plans, unapproved or DSA-approved, 3A diagrams; current cost estimates, and the architect's Certification of Changes to Final Plans (Form SAB 390) with DSA-approved plans only

These changes are meant to assist architects and plan reviewers in expediting the submittal and review processes. You may immediately begin using these new tools to enhance your next submittal, whether final unapproved plans or DSA-approved plans. In order for your school district to take advantage of these streamlining changes, it is important that you ensure that your architect is aware of them.

If you have any questions, I encourage you to contact George Shaw, COCAT Supervisor, at (916) 322-0331.

Sincerely,

TED W. DUTTON
Executive Officer

TWD:GS

Attachments

SAB / OPSC AVERAGE SITE WORK SIZES AND DEFINITIONS					
LINE		NEW CONSTRUCTION	ELEMENTARY	INTERMEDIATE	HIGH
C-1	UTILITY SERVICES	STANDARDS			
	Water - Domestic	From closest P.O.C. to meter	4"	6"	8"
	Sewer	From closest P.O.C. to first lateral	6"	8"	10"
	Telephone	From closest P.O.C. to first lateral	2"	3"	4"
	Electrical - Power	From closest P.O.C. to meter	2" C.I.P.	4" C.I.P.	6" C.I.P.
	Gas - Natural	From closest P.O.C. to first lateral	2"	4"	6"
C-2	OFF - SITE DEVELOPMENT	- Street work and two adjacent sides of the school site			
	Streets: curbs, gutters & paving	One-half the width of a 40' street up to 20' from top face of curb to center-line of street, less any existing street. District may fund any amount which exceeds the eligible work from the General Site allowance balance.	2"AC / 6"AB	2"AC / 6"AB	2"AC / 6"AB
	Sidewalks	A 5' width wider than 5' are to be funded from the remainder of General Site development allowance.	5'	5'	5'
	Street: lighting, planting areas, signage, traffic signals, trees	Eligible only when mandated by local ordinance. Environs must be equivalently developed.			
	Cut and fill	May be included in Service Site costs estimate.			
C-3	SERVICE SITE DEVELOPMENT				
	Site clearance	Removal of trees, brush and debris also includes demolition.			
	Rough grading	Cut, fill, leveling, terracing & off-site cut & fill.			
	Soil compaction	Standard engineering practices. Must be supported by soils engineering report.			
	On-site drainage facilities	Below grade drainage, does not include surface drainage of football fields and running tracks.			
	Erosion and embankment improvements	Embankments having a slope of 2:1 and a vertical height greater than six feet. Stairs, handicap ramps and retaining walls may be eligible.			
C-3 A	FIRE CODE REQUIREMENTS				
	Fire Water Line	From closest P.O.C. to last eligible hydrant	6" - 8"	8" - 10"	10" - 12"
	Hydrants	Dependent on building capacity	3	4	5
	Fire Lane - (Road 20' wide)	Single use only (dual use is a General Site development cost)	2"AC / 6"AB	2"AC / 6"AB	2"AC / 6"AB
	Fire Sprinklers - Building	Allowed only in rural area with water well			
C-1	UTILITY SERVICES	MODERNIZATION STANDARDS	ELEMENTARY	INTERMEDIATE	HIGH
	Electrical - Power	From closest P.O.C. to meter. Requires letter from Electrical Engineer that existing service is inadequate. Only for buildings being modernized.			
C-3	ACCESS COMPLIANCE				
	Lifts	Wheelchair lift required by DSA (x the Construction Cost Index at bid).	\$12,000	\$12,000	\$12,000
	Ramps	New exterior ramps required by DSA. (A) If over 1 foot high from one level to another, then \$30-\$50/sq. ft. x the Construction Cost Index.	(A)	(A)	(A)
	Elevators	New elevators required by DSA. (Two stop, equipment and tower x C.C.I.)	\$100,000	\$100,000	\$100,000
	Ineligible for additional funding	Curb cuts, parking lots and sidewalks. (B) Considered path of travel, part of 25% building cost allowance.	(B)	(B)	(B)

LEGEND:

P.O.C. - Point of Connection

C.I.P. Concrete incased pipe

AC/AB - asphalt concrete/aggregate base

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SACRAMENTO, CA 95814
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February 18, 1998

Mass Mailer #98-02

To: All School Districts and County Superintendents

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On January 28, 1998, the State Allocation Board (SAB) apportioned approximately \$7.1 million for on-going projects, bid approvals and hardship projects. The SAB also addressed other issues as follows:

Consent Calendar

The Furniture and Equipment Index increased from 1.34 to 1.35, effective for projects for which bids are opened on or after January 1, 1998. The Historical Savings Index increased from 5.91 to 5.93, effective January 1, 1998. There was no change in the Class B and Class D Construction Cost Indexes; both remain at 1.29.

The consent agenda included Phase P, S and C "unfunded approvals" for more than 166 projects, including Joint Use projects, which when added to the previous list of "unfunded" projects results in a total of \$758.9 million of "unfunded" projects.

Administrative Expenses

The SAB took action to increase the supplemental apportionment for administrative expenses for school districts with current average daily attendance of 2,500 or less, effective January 28, 1998. Education Code Section 17019.5 allows the SAB to approve supplemental apportionments for administrative expenses incurred as a result of small districts filing an application for new construction and/or modernization. The allowance permitted is based upon a project's initial approval date and may be requested by checking the appropriate box on the Form SAB 506, Application for Apportionment. The adjusted maximum allowances are as follows:

	<u>1998 Allowance</u>
New Construction	\$ 6,958
Modernization	\$ 1,674

Developer Fee Adjustment

A report was presented to the SAB pursuant to Government Code Section 65995 (b)(3), which requires that the maximum school developer fee be adjusted in 1990 and every two years thereafter by an amount equivalent to the change in the Class B construction cost index, as determined by the SAB at its January Board meeting. The maximum developer fee which may be levied pursuant to Government Code Section 53080, was adjusted, effective January 28, 1998, as follows:

	<u>New Maximum Fee</u>
Residential	\$ 1.93
Commercial/Industrial	\$.31

Any questions regarding the developer fee may be directed to Carolyn Harmon at (916) 322-0315 or via e-mail at charmon@dgs.ca.gov.

Joint Use Program

On December 3, 1997, the SAB apportioned certain Joint Use projects and directed the Office of Public School Construction (OPSC) to review the remaining Joint Use applications to determine if a valid agreement was in place as of the final filing date. A report of the findings by the OPSC was presented to the SAB at this meeting.

The SAB made "unfunded approvals" for the applicant district's Phase P's and Phase C's, as shown on Attachment A of the Joint Use item. The SAB also provided that the projects, as shown on Attachment B of the Joint Use item, are eligible for reimbursement as of January 28, 1998, pending final review by legal counsel. These applications will be brought back for final approval at the March SAB meeting. The SAB did not approve the projects, as shown on Attachment C of the Joint Use item, since the applications did not meet the minimum requirements of the program. Various project revisions and withdrawals were also made at this SAB meeting. The affected districts will be notified by separate letter. Any questions regarding Joint Use projects may be directed to your Project Manager.

New Construction and Modernization Appeals

New construction and modernization Phase P appeal requests were presented to the SAB, which were deemed to have been received in time to be included on the May 1, 1996, "Unfunded List". Since the SAB is out of funds, the projects received "unfunded approvals" with an "unfunded" date of April 1, 1997.

Amendment to the Reimbursement Policy

The SAB approved an amendment to the Reimbursement Policy to include eligible site development expenditures incurred within eight months of the time a project would have received a Phase C "unfunded approval" during the period between May 29, 1996, and April 30, 1997. The SAB suspended the "unfunded approval" process during that time period. Any questions regarding the Reimbursement Policy may be directed to Carolyn Harmon at (916) 322-0315 or via e-mail at charmon@dgs.ca.gov.

Other Issues of Concern

1. Districts are advised that currently funded projects for construction must declare in writing, **prior to bid opening**, whether the Educational Technology (ET) work is included in the plans and specifications (P&S), or if it will be bid as deferred work. If the district architect does not address the ET in the cost estimate, the ET allowance will automatically be deferred for future, and amendments to the bid approval shall not be permitted. For a project processed for an "unfunded approval" for Phase C, the ET allowance is included in the project budget, subject to the outcome of future funding requirements. Please contact your Project Manager for further details.
2. Should a district wish to convert a Priority Two (100 percent) project to a Priority One (50/50), it may do so by filing an amended Form SAB 506, Application for Apportionment. If the district has received an actual apportionment and release of funds, the district must first return to the State half of the funds released before the conversion can occur. A Consent item would then be presented to the SAB for approval and reduction in the apportionment. Providing the project scope does not change, the project phase approval date(s) will remain the same. For information about conversion of a Priority One to a Priority Two project, please contact your Project Manager.

3. Lease-Purchase application documents are in the process of being revised. The Form SAB 600, Justification Document, will be modified to exclude any year-round school reductions for modernization projects. If your district is in the process of filing or has recently filed a modernization project application, you may wish to contact your Project Manager or Don Hartin at (916) 445-0529 or via e-mail at dhartin@dgs.ca.gov for further information regarding the impact to your district. The revised forms will be available soon on the Internet at www.dgs.ca.gov/opsc/forms.htm.
4. Districts that have received conditional "unfunded approvals" in the past, that did not proceed with the project justification, have been notified of the OPSC's intent to present these projects for possible rescission at the March SAB meeting. In addition, districts that have filed applications that could not be justified for purposes of eligibility have also been notified regarding the OPSC's intent to place these projects on a withdrawn list. Any questions regarding these projects should be directed to Don Hartin at (916) 445-0529 or via e-mail at dhartin@dgs.ca.gov.
5. The OPSC will present an item to the SAB at its February 25, 1998, meeting to fund the previously "unfunded" change orders of approximately \$1.4 million. Questions regarding the change order process may be directed to George Shaw at (916) 322-0331 or via e-mail at gshaw@dgs.ca.gov.
6. Districts are advised that because of the limited storage space available, the OPSC can no longer accept hard copies of the Plans & Specifications submitted for review by the OPSC. Plans must be submitted in the form of CD-ROM or "Zip Drive", readable by AutoCAD 14. Specifications may be included with the Plans or on a separate diskette. A certification from the district architect must be submitted with the Plans & Specifications that certifies the exact Plans on the CD-ROM or "Zip Drive", and the exact Specifications on diskette have been approved by the Division of the State Architect (DSA). The certification must include the dates of approval and the appropriate DSA number(s) for structural, handicapped access and fire safety. Districts that are unable to submit Plans on CD-ROM or "Zip Drive" may send a letter to the OPSC requesting approval to submit traditional blue print drawings. Further instructions regarding the submittal of Plans & Specifications may be located on the Internet at www.dgs.ca.gov/opsc/forms/cocat.htm.

We would like to thank the county and school district representatives that came to our Open House on January 27, 1998. We were very pleased with the turnout and the positive comments received. If you did not have an opportunity to attend but would like to make arrangements to visit our office, please contact your Project Manager. It would be our pleasure to arrange a personal tour.

For your convenience, copies of the applicable agenda items regarding the issues discussed in this letter are attached. Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON
Executive Officer

TWD:LM:lm

Attachments

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 28, 1998

ADJUSTMENT TO SUPPLEMENTAL
APPORTIONMENT FOR ADMINISTRATIVE EXPENSES

PURPOSE OF REPORT

To increase the supplemental apportionment for administrative expenses for school districts with an average daily attendance of 2,500 or less.

DESCRIPTION

Education Code Section 17019.5 allows the State Allocation Board (SAB) to approve a supplemental apportionment for administrative expenses incurred as a result of districts filing an application for new construction and/or modernization. School districts with an average daily attendance of 2,500 or less are eligible for reimbursement of costs associated with administering the project. The maximum supplemental apportionment, established by law at \$5,500 for new construction and \$1,320 for modernization, was adjusted in 1990 and every two years thereafter by the change in the Class D construction cost index, as determined by the SAB at its January board meeting.

The Class D construction cost index increased 8.40 percent during the period December 1995 through December 1997, requiring the supplemental apportionment for administrative expenses to be adjusted as follows:

	1996 <u>Allowance</u>	1998 <u>Allowance</u>
New Construction	\$6,419	\$6,958
Modernization	1,544	1,674

RECOMMENDATION

Approve the 1998 increase to the supplemental apportionment for administrative expenses with an effective date of January 28, 1998.

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 28, 1998

DEVELOPER FEE ADJUSTMENT

PURPOSE OF REPORT

To report to the Board the adjustment in the maximum developer fee which may be levied pursuant to Government Code Section 53080.

DESCRIPTION

Government Code Section 65995(b)(3) requires the maximum developer fee be adjusted in 1990 and every two years thereafter by the change in the Class B construction cost index, as determined by the State Allocation Board at its January board meeting.

The cost index for Class B construction increased 4.88 percent during the period December 1995 through December 1997, requiring the developer fees be adjusted as follows:

	<u>1996</u> <u>Maximum Fee</u>	<u>1998</u> <u>Maximum Fee</u>
Residential	\$1.84	\$1.93
Commercial/Industrial	.30	.31

The adjusted maximum fees are effective immediately.

RECOMMENDATION

Authorize staff to notify districts regarding the adjusted maximum developer fees which may be levied pursuant to Government Code Section 53080, with an effective date of January 28, 1998.

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 28, 1998

PURPOSE OF REPORT

To present a report regarding the Joint Use program.

DISCUSSION

On December 3, 1997, the State Allocation Board (SAB) directed the Office of Public School Construction (OPSC) to review the remaining Joint Use applicant districts to determine if a valid agreement was in place as of the August 5, 1997, filing date. The OPSC was to present the findings at the January meeting. The SAB provided that districts may appeal the OPSC's findings at the January meeting.

STAFF COMMENTS

The OPSC met with the balance of the Joint Use applicant districts. Each district was given an opportunity to provide documentation to support that the district's Joint Use Agreement complied with the SAB policies.

The OPSC has concluded most of the districts reviewed met the minimum requirements of the law as indicated on Attachment A.

Two applicant districts requested that their Joint Use applications be withdrawn:

- Hesperia Unified School District , Application Number 22/75044-00-19
- Riverside County Office Of Education, Application Number 22/10330-00-55

The Districts with projects shown on Attachment B are pending final review by legal counsel and are recommended for only a conditional approval at this time.

The OPSC, while reviewing the applicant districts Joint Use documentation, found that the eligibility for minimum essential square footage for two applicant districts, Placerville Union and Enterprise School Districts, was based on the minimum essential facility calculation for more than one type of Joint Use facility. The OPSC recommends that the SAB approve only the eligible square footage of the larger proposed Joint Use facility for each district in compliance with SAB policies as follows:

- Placerville Union Elementary School District: a multi-purpose room with an eligible minimum essential square footage of 3,609 square feet.
- Enterprise Elementary School District: a multi-purpose room with an eligible minimum essential square footage of 6,240 square feet.

RECOMMENDATIONS

1. Approve Phases P and Phase C without apportionment for the applicant districts shown on Attachment A that have been deemed to meet the minimum requirements of the law for Joint Use funding.

(Continued on Page Two)

SAB 01-28-98

RECOMMENDATIONS (Con't.)

2. Provide that the projects on Attachment B are eligible for reimbursement as of January 28, 1998, pending final review by legal counsel. These applications will be brought back for final action in March.
3. Approve the Hesperia Unified and the Riverside County Office of Education requests to withdraw their Joint Use applications: Application Number 22/75044-00-19 and 22/10330-00-55, respectively.
4. Approve 3,609 square feet of eligible minimum essential building area for a multi-purpose room for the Placerville Union Elementary School District.
5. Approve 6,240 square feet of eligible minimum essential building area for a multi-purpose room for the Enterprise Elementary School District.
6. Do not approve the Joint Use projects shown on Attachment C because the applications do not meet the minimum requirements of the law.

BOARD ACTION

In considering this item, the Board approved staff's recommendations as follows:

1. Recommendations 1, 2, 4 and 5 were approved.
2. Recommendation 2 was approved with the withdrawal of the applications for the Pauma and Palo Alto Unified School Districts.
3. Recommendation 6 was approved with the exception of the Antelope Valley Union and Bonsall Union School District applications which were held over until the February Board.

Attachment A
Projects Meeting Minimum Requirements

Random Selection Funding Priority	Application No.	School District	County	Type Facility Requested	Square Footage	Total Estimated Application Cost	State's Share	Cumulative Total
39	22/75358-00-09	Windsor Unified	Sonoma	Gym	12,472	\$ 2,120,240	\$ 1,000,000	\$ 1,000,000
40	22/72678-00-02	Davis Joint Unified	Yolo	Gym	15,352	\$ 2,609,840	\$ 1,000,000	\$ 2,000,000
41	22/72561-00-01	Rio Elementary	Ventura	Gym	9,731	\$ 1,654,270	\$ 827,135	\$ 2,827,135
43	22/73460-00-07	Walnut Valley Unified	Los Angeles	Multipurpose I	14,739	\$ 2,505,630	\$ 1,000,000	\$ 3,827,135
44	22/67652-00-07	Chaffey Joint Union	San Bernardino	Gym	10,970	\$ 1,864,900	\$ 932,450	\$ 4,759,585
48	22/61952-00-04	Placerville Union	El Dorado	Multipurpose I	3,609	\$ 613,530	\$ 306,765	\$ 5,066,350
49	22/63313-00-03	Arvin Union	Kern	Gym	10,472	\$ 1,780,240	\$ 890,120	\$ 5,956,470
50	22/71308-00-05	Turlock Joint Elementary	Stanislaus	Gym	6,118	\$ 1,040,060	\$ 520,030	\$ 6,476,500
51	22/61655-00-04	Brentwood Union	Contra Costa	Gym	12,068	\$ 2,051,560	\$ 1,000,000	\$ 7,476,500
53	22/61721-00-04	Liberty Union High	Contra Costa	Gym	41,918	\$ 7,126,060	\$ 1,000,000	\$ 8,476,500
54	22/67314-00-47	Elk Grove Unified	Sacramento	Library	12,657	\$ 2,151,690	\$ 1,000,000	\$ 9,476,500
55	22/67215-00-09	Riverside Unified	Riverside	Gym	7,445	\$ 1,265,650	\$ 632,825	\$ 10,109,325
57	22/71498-00-04	Corning Union Elementary	Tehama	Gym	11,327	\$ 1,925,590	\$ 962,795	\$ 11,072,120
58	22/63693-00-03	Norris	Kern	Library	4,481	\$ 761,770	\$ 380,885	\$ 11,453,005
64	22/64733-05-01	Los Angeles Unified	Los Angeles	Multipurpose I	4,358	\$ 740,860	\$ 370,430	\$ 11,823,435
65	22/68759-00-05	Lucia Mar Unified	San Luis Obispo	Multipurpose I	11,203	\$ 1,904,510	\$ 952,255	\$ 12,775,690
66	22/65359-00-01	Lagunitas Elementary	Marin	Multipurpose I	1,500	\$ 255,000	\$ 127,500	\$ 12,903,190
67	22/63941-00-03	Kings River-Hardwick Union Elem.	Kings	Multipurpose I	1,069	\$ 181,730	\$ 90,865	\$ 12,994,055
70	22/67694-00-02	Cucamonga Elementary	San Bernardino	Gym	8,704	\$ 1,479,680	\$ 739,840	\$ 13,733,895
72	22/64691-00-06	Lawndale Elementary	Los Angeles	Gym	12,521	\$ 2,128,570	\$ 1,000,000	\$ 14,733,895
73	22/72553-00-01	Pleasant Valley Elementary	Ventura	Gym	7,118	\$ 1,210,060	\$ 605,030	\$ 15,338,925
74	22/69146-00-01	Carpinteria Unified	Santa Barbara	Gym	9,190	\$ 1,562,300	\$ 781,150	\$ 16,120,075
76	22/63925-00-03	Hanford Joint Union High	Kings	Gym	10,000	\$ 1,700,000	\$ 334,280	\$ 16,454,355

Attachment B
(Pending Legal Counsel's Review)

Random Selection Funding Priority	Application No.	School District	County	Type Facility Requested	Square Footage	Total Estimated Application Cost	State's Share	Cumulative Total
42	22/69971-00-04	Enterprise Elementary	Shasta	Multipurpose I	6,240	\$ 1,060,800	\$ 530,400	\$ 530,400
45	22/68288-00-03	Pauma Elementary	San Diego	Multipurpose I	2,992	\$ 508,640	\$ 254,320	\$ 784,720
52	22/61200-00-01	Livermore Valley Joint Unified	Alameda	Gym	8,658	\$ 1,471,860	\$ 735,930	\$ 1,520,650
56	22/69641-00-01	Palo Alto Unified	Santa Clara	Library	6,508	\$ 1,106,360	\$ 553,180	\$ 2,073,830
59	22/68346-00-06	San Dieguito Union High	San Diego	Library	14,884	\$ 2,530,280	\$ 1,000,000	\$ 3,073,830
63	22/62901-00-01	Klamath-Trinity Joint Unified	Humbolt	Multipurpose I	3,827	\$ 650,590	\$ 325,295	\$ 3,399,125
71	22/66910-00-05	Roseville City	Placer	Multipurpose I	8,500	\$ 1,445,000	\$ 722,500	\$ 4,121,625
75	22/64659-00-01	La Canada Unified	Los Angeles	Library	11,764	\$ 1,999,880	\$ 999,940	\$ 5,121,565

Attachment C
Projects That Do Not Meet Minimum Requirements

Random Selection Funding Priority	Application No.	School District	County	Type Facility Requested	Square Footage	Total Estimated Application Cost	State's Share	Cumulative Total
47	22/64246-00-08	Antelope Valley Union	Los Angeles	Multipurpose I	8,200	\$ 1,394,000	\$ 697,000	\$ 697,000
61	22/67975-00-02	Bonsall Union	San Diego	Multipurpose I	4,697	\$ 798,490	\$ 399,245	\$ 1,096,245
62	22/73676-00-08	Coachella Valley Unified	Riverside	Library	11,795	\$ 2,005,150	\$ 1,000,000	\$ 2,096,245
68	22/65458-00-01	San Rafael Elementary	Marin	Multipurpose I	4,000	\$ 680,000	\$ 340,000	\$ 2,436,245
69	22/63859-00-03	Wasco Union High	Kern	Gym	19,880	\$ 3,379,600	\$ 1,000,000	\$ 3,436,245

Reasons for Denial:

Antelope Valley Union: Building a museum; not a library, gymnasium or a multi-use facility.

Bonsall Union: Agreement with a "not for profit" corporation, not a governmental entity.

Coachella Valley Unified: No agreement submitted.

San Rafael Elementary: No agreement submitted.

Wasco Union High: Agreement was executed after the final filing date of August 5, 1997. Refer to Attachment D.

**DEPARTMENT OF GENERAL SERVICES
OFFICE OF PUBLIC SCHOOL CONSTRUCTION**1130 K STREET, SUITE 400
SACRAMENTO, CA 95814<http://www.dgs.ca.gov/opsc>

March 13, 1998

Mass Mailer #98-03

To: All School Districts and County Superintendents

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On February 25, 1998, the State Allocation Board (SAB) apportioned approximately \$4.0 million for on-going projects and bid approvals. The SAB also addressed other issues as follows:

Consent Calendar

The cost indices for Class B, D, Furniture and Equipment and Historical Savings Index remain the same as the previous month.

The consent agenda included Phase P, S and C "unfunded approvals" for more than 159 projects, which when added to the previous list of "unfunded" projects results in a total of approximately \$814 million of "unfunded" projects.

Change Orders

The SAB approved an item to fund approximately \$1.4 million of previously "unfunded" change orders. The affected districts will be notified by separate letter. Questions regarding the change order process may be directed to George Shaw at (916) 322-0331 or via e-mail at gshaw@dgs.ca.gov.

Transfer of Apportionment for Small Districts' Phase P's

The SAB approved a transfer of apportionment of \$5 million from the contingency reserve for previously "unfunded" Phase P's for small school districts of 2,500 average daily attendance or less. An item will be presented to the SAB at its March 25, 1998 meeting for the apportionment of these funds. Questions regarding this item may be directed to Don Hartin at (916) 445-0529 or via e-mail at dhartin@dgs.ca.gov.

Other Issues of Concern

1. Districts are reminded that because of the limited storage space available, the OPSC can no longer accept hard copies of the Plans & Specifications (P & S) submitted for review by the OPSC. Districts that are unable to submit plans on CD-ROM or "Zip Drive" may send a letter to the OPSC requesting approval to submit traditional blue print drawings for a limited period of time. Plans must be submitted in the form of CD-ROM or "Zip Drive", readable by AutoCAD 14. Specifications may be included with the plans or on a separate diskette utilizing Microsoft Word software. A certification from the district architect must be submitted with the P & S that certify that the exact plans on the CD-ROM or "Zip Drive" and the exact specifications on diskette have been approved by the Division of the State Architect (DSA). The certification must include the dates of approval and the appropriate DSA number(s) for structural, handicapped access and fire safety. Further instructions regarding the submittal of P & S may be located on the Internet at www.dgs.ca.gov/opsc/cocat.htm.

2. The new version of Project Tracking is now available on the OPSC web page at www.dgs.ca.gov/opsc/protrack.htm.

Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON
Executive Officer

TWD:LM:lm

**DEPARTMENT OF GENERAL SERVICES
OFFICE OF PUBLIC SCHOOL CONSTRUCTION**1130 K STREET, SUITE 400
SACRAMENTO, CA 95814<http://www.dgs.ca.gov/opsc>

April 6, 1998

Mass Mailer #98-04

To: All School Districts and County Superintendents

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD, ISSUES REGARDING
CONSTRUCTION MANAGEMENT AND OTHER ITEMS**

On March 25, 1998, the State Allocation Board (SAB) apportioned approximately \$17 million for Phase P (planning), on-going projects and bid approvals. The SAB also addressed other issues as follows:

Consent Calendar

The cost indices for Class B, D, Furniture and Equipment and Historical Savings Index remain the same as the previous month.

The consent agenda included Phase P, S and C "unfunded approvals" for more than 145 projects, which when added to the previous list of "unfunded" projects results in a total of approximately \$893 million of "unfunded" projects.

Northridge Earthquake Program

As a result of an evaluation of the estimated funds necessary to complete the Northridge Earthquake Program, the SAB elected to redirect excess funds of \$2.7 million to the Contingency Reserve. Approximately \$5.1 million remains in the Program to fund the remaining requests. Any questions regarding the Northridge Earthquake Program may be directed to Mike Willis at (916) 322-9448 or via e-mail at mwillis@dgs.ca.gov.

Planning Apportionments for Small Districts

The SAB transferred \$5 million from the Contingency Reserve at its February 25, 1998, meeting for previously "unfunded" Phase P's for small school districts of 2,500 average daily attendance or less and directed staff to recommend funding for these projects at the March 25, 1998 meeting. The total amount necessary to fund these projects was approximately \$11.4 million. The SAB elected to transfer an additional amount of approximately \$6.4 million from the Contingency Reserve to fund the entire list of these projects. The affected districts will be notified by separate letter. Any questions regarding the Phase P apportionments and fund releases may be directed to your Project Manager.

Joint Use Program

On January 28, 1998, the SAB approved certain applicant district's projects eligible for reimbursement, pending final review by legal counsel for compliance with the Joint Use policy. At its March 25, 1998 meeting, the SAB made unconditional "unfunded approvals" for some of these projects and delayed action on three projects to allow the affected districts additional time to provide acceptable information that the districts met the minimum Joint Use Policy requirements. The affected districts will be notified by separate letter. Any questions regarding Joint Use projects may be directed to Sandy Westerinen at (916) 322-5562 or via e-mail at swesterinen@dgs.ca.gov.

Construction Management (CM) Policy

An item was presented to the SAB that recommended additional funding for CM fees for certain projects as a result of misunderstandings regarding the calculation of the CM fee as outlined in the current SAB CM Policy. Many districts believed the CM fee was based on the total construction costs and not just the building cost, as provided in the Policy. The OPSC is aware of this misunderstanding and supported a request for additional funding for CM fees for those projects funded for Phase C with Proposition 203 funds where it is clear from the contract and the approved cost estimates that the district calculated the fee differently.

The SAB took no action regarding this request at this time as there was concern as to the total amount of funding that would be needed to address this issue. In order to determine the amount of funds needed for this purpose, the SAB has allowed a 45 day period for the affected districts to submit information to the OPSC to support their claim for additional funding. Therefore, any affected district has until close of business on May 8, 1998 to submit a request for additional funding. The district's request must include the following:

- A calculation of the CM fee based on the CM contract and cost estimates previously submitted to the OPSC for review/approval.
- A statement that the additional fees requested are a result of misunderstanding of the SAB CM policy.
- A statement that the project is for new construction and was funded from Proposition 203 funds for Phase C.
- The name of the Architectural firm.
- The name of the CM firm.
- A statement regarding which firm (i.e. the architect or CM) that is in control of the plans and specifications.

After the collection of the data outlined above has been received, an item will be presented to the SAB at its June 24, 1998 meeting regarding this issue. Any questions regarding this issue may be directed to your Project Manager.

Educational Technology (ET)

The SAB took no action regarding a report regarding the funding of certain projects and schools for ET from various funding sources but, instead, directed the OPSC to investigate the proper funding for new construction and modernization projects for presentation to the Board at a future SAB meeting.

Asbestos Abatement Programs

The SAB took action to waive the repayment provision for asbestos abatement funds that were previously apportioned as a *loan* to applicant districts for the State Asbestos Abatement and Lease-Purchase Asbestos Abatement Programs. Any questions regarding these waivers may be directed to Bryan Breaks at (916) 445-3156 or via e-mail at bbreaks@dgs.ca.gov.

Other Issues of Interest

1. The new version of Project Tracking is now available on the OPSC web page. The Internet address is <http://www.dgs.ca.gov/opsc/protrack.htm> or you may access it on our web page at <http://www.dgs.ca.gov/opsc> and select Project Tracking.

2. Please join the OPSC in congratulating Lien Hoang on her promotion to Supervisor of the Eligibility Team. Any questions regarding Lease-Purchase eligibility may be directed to Lien at (916) 445-3833 or via e-mail at lhoang@dgs.ca.gov. Further information regarding Project Management county assignments may be located on the OPSC web page at <http://www.dgs.ca.gov/opsc> and select Project Manager County Assignments.
3. Districts that have proposed or approved critical hardship projects under the Deferred Maintenance Program should become familiar with a special advisory letter from the OPSC dated April 6, 1998, regarding certain provisions of the Public Contract Code.
4. The OPSC has established a satellite office in San Diego that is available for districts to meet with the OPSC staff. Questions regarding appointment arrangements and the office may be directed to your Project Manager or to Dave Fallis at (916) 323-0187 or via e-mail at dfallis@dgs.ca.gov.
5. The OPSC has also established a satellite office in Fresno that is available for districts to meet with the OPSC staff. Questions regarding appointment arrangements and the office may be directed to your Project Manager or to Barbara Wilson at (916) 323-4461 or via e-mail at bwilson@dgs.ca.gov.
6. Districts are again reminded that because of the limited storage space available, the OPSC can no longer accept hard copies of the Plans & Specifications (P & S) submitted for review by the OPSC. Districts that are unable to submit plans on CD-ROM or "Zip Drive" may send a letter to the OPSC requesting approval to submit traditional blue print drawings for a limited period of time. Plans must be submitted in the form of CD-ROM or "Zip Drive", readable by AutoCAD 14. Specifications may be included with the plans or on a separate diskette utilizing Microsoft Word software. A certification from the district architect must be submitted with the P & S that certify that the exact plans on the CD-ROM or "Zip Drive" and the exact specifications on diskette have been approved by the Division of the State Architect (DSA). The certification must include the dates of approval and the appropriate DSA number(s) for structural, handicapped access and fire safety. Further instructions regarding the submittal of P & S may be located on the Internet at www.dgs.ca.gov/opsc/cocat.htm.

For your convenience, copies of the applicable agenda items regarding the issues discussed in this letter are attached. Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON
Executive Officer

TWD:LM:lm

Attachments

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, March 25, 1998

CONSTRUCTION MANAGEMENT POLICY

PURPOSE OF REPORT

To recommend increased funding for certain projects utilizing the services of construction management.

DESCRIPTION

On November 30, 1994, the State Allocation Board (SAB) adopted a revised Construction Management (CM) policy which provided that the maximum CM fee and the allowable general conditions were calculated on the building cost portion of the project. The building cost portion [i.e., building allowance] for a project does not include service site, off-site or general site developments, utilities, unconventional energy, educational technology or any other "line item" allowance provided by the SAB as a result of unique construction features in the project. The total construction allowance for a project is the sum of all the "line item" allowances plus the building allowance.

The Office of Public School Construction (OPSC) is aware that there were misunderstandings regarding the calculation of the fees as many CM firms and school districts believed that the CM fee was calculated on the total construction allowance or the sum of all construction contracts, not just the building cost portion of the project as required in the policy.

To assure that districts are not financially disadvantaged as a result of a SAB policy that may have been misunderstood, the SAB Implementation Committee and the OPSC support additional funding for CM contracts entered into for projects funded for Phase C, with Proposition 203 funds, where it is clear from the contract and approved cost estimate that the district used a different calculation for the fee, albeit in error.

RECOMMENDATIONS

1. Stipulate that additional funding will be provided for CM fees, subject to the following:
 - The project is for new construction and was funded for Phase C from Proposition 203 funds.
 - The additional CM fees requested are a result of misunderstandings in the CM policy as outlined in this report.
 - The additional fees requested are supported by the original contract and supporting cost estimates.
 - The additional CM fees are subject to all other provisions of the existing CM policy.
2. Provide that any increase in funding for CM fees as a result of this report will be placed on the change order "unfunded approval" list for subsequent funding consideration.

BOARD ACTION

In considering this Item, the Board did not take action on the OPSC's Recommendations. The Board directed:

1. OPSC to advise all districts they have 45 days to submit specific information regarding requests for increased construction management (CM) fees as a result of misunderstandings of the Board's CM policy. The affected projects must have been funded for Phase C from Proposition 203 funds.
2. OPSC to analyze the submitted information and prepare a report for SAB consideration at the June 1998 SAB meeting.
3. OPSC to determine who is in control of the plans and specifications of a project when the district employs the services of both an Architect and a CM firm for the project. OPSC to report on this at the June 1998 SAB meeting.

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, March 25, 1998

ASBESTOS ABATEMENT PROGRAMS

PURPOSE OF REPORT

To request a waiver of the repayment provision of the State Asbestos Abatement Program (SAAP) and removal of the repayment provision for the Lease-Purchase Asbestos Abatement Program (LPAAP).

DESCRIPTION

During the period 1987 through 1992, approximately \$7.6 million (\$3.5 million for the SAAP and \$4.1 million for the LPAAP) were subject to repayment as a result of loans to certain districts with small average daily attendance (ADA). In order to qualify for these funds, the district's required contribution had to be in excess of ½ of 1% of the district's budgeted General Fund and Adult Education Fund less capital outlay and debt service. Because of this criteria, a majority of the districts receiving these funds have less than 4,500 ADA.

BOARD POLICY

State Asbestos Abatement Program

As a condition of accepting funds subject to repayment, the district had to agree to repay to the State Asbestos Abatement Fund annually, an amount not to exceed the ½ of 1% amount defined above, for a period not to exceed five years. State Allocation Board (SAB) regulations stipulate that the repayment will cease at the time the loan is repaid or at the end of five years, whichever occurs first. Because of the five year repayment limit, approximately 1/3 of the districts will not repay its loans.

Lease-Purchase Asbestos Abatement Program

The SAB policy pertaining to the repayment of LPAAP funds, which was calculated in manner similar to the State Asbestos Abatement Program, was modified to allow repayment over a ten year period. Because of the ten year repayment provision, approximately ¼ of the districts will not repay its loans.

STAFF COMMENTS

Since most of the districts involved are less than 4,500 ADA and the actual amounts to be collected will be minimal, the financial impact to small districts and the administrative cost to make the collections does not appear to warrant the collection of these loans. Additionally, the burden to repay these funds by small districts to the State Asbestos Fund which can only be used for asbestos purposes which is no longer in high demand, does not seem fiscally prudent.

(Continued Page Two)

LEGAL ANALYSIS

State Asbestos Abatement Program

Education Code Section 17588 (b) specifically authorizes the SAB to waive the repayment requirement for any amounts in excess of the otherwise authorized amount of the critical hardship apportionment.

Lease-Purchase Asbestos Abatement Program

Legal Counsel has indicated there is not specific authority under the LPAAP to make apportionments with a condition that such funds be repaid to the State.

RECOMMENDATIONS

1. Waive the repayment provisions for the \$3.5 million of loans from the SAAP as provided by Education Code Section 17588(b).
2. Remove the repayment provisions for the \$4.1 million of loans from the LPAAP.

In considering this item, the Board approved OPSC's Recommendations.

**DEPARTMENT OF GENERAL SERVICES
OFFICE OF PUBLIC SCHOOL CONSTRUCTION**1130 K STREET, SUITE 400
SACRAMENTO, CA 95814<http://www.dgs.ca.gov/opsc>

April 6, 1998

Mass Mailer #98-05

To: All County Superintendents and School Districts that have Deferred Maintenance Critical Hardship Projects

Subject: **SPECIAL ADVISORY REGARDING DEFERRED MAINTENANCE CRITICAL HARDSHIP PROJECTS**

This advisory is to remind school districts that Deferred Maintenance Program critical hardship projects are subject to all Public Contract Code (PCC) provisions relating to contracting requirements. The PCC includes an emergency provision for contracting without going out to bid. Because the State Allocation Board (SAB) provides what is in effect 100% funding for these projects, the following information must be included when requesting funding from the SAB:

For a new request for a Deferred Maintenance Critical Hardship project, the district must include a certification with the application that:

- The district will follow the PCC.
- That the contract(s) will be executed prior to any work being performed on the project.
- That the district obtain its legal counsel approval on each contract.

For a request for an increase in the funding for a previously approved critical hardship project, the district must submit a certification with the request that:

- The district has on file contract(s) for all work performed on the project to date.
- The contract(s) were entered into in accordance with the requirements of the PCC, either pursuant to competitive bidding or the emergency contracting process.
- The district has on file the district's legal counsel approval of the contract(s).

Please note that these projects are subject to audit and failure to substantiate conformance with these guidelines may result in a disapproval of expenditures.

Districts are also advised that any requests for increased critical hardship funding must include specific information identifying the additional work needed, a statement as to why the additional work is necessary, a detailed cost estimate which outlines the work and the cost of the work completed under the initial approval and the estimated cost and specific work needed to complete the project.

Once the Office of Public School Construction (OPSC) receives and reviews the request for increased funding, a recommendation for additional funding based on that review will be made to the SAB. If funding is not available by the SAB to fund the additional acceptable work, the district's

request for increased funding will be placed on an “unfunded” list and receive top priority for funding when funds become available.

If you have any questions regarding this matter, please contact Audrey Edwards at (916) 327-9249 or auedward@dgs.ca.gov, via the internet.

Sincerely,

TED W. DUTTON
Executive Officer

TWD:PS:ps

**DEPARTMENT OF GENERAL SERVICES
OFFICE OF PUBLIC SCHOOL CONSTRUCTION**

1130 K STREET, SUITE 400
SACRAMENTO, CA 95814
<http://www.dgs.ca.gov/opsc>



April 28, 1998

Mass Mailer #98-05

To: All School Districts and County Superintendents

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On April 22, 1998, the State Allocation Board (SAB) apportioned approximately \$3.6 million for on-going projects and bid approvals. The SAB also addressed other issues as follows:

Consent Calendar

The cost indexes for Class B and Furniture and Equipment remain the same as those of the previous month. The cost index for Class D decreases from 1.29 to 1.28 and Historical Savings decreases from 5.93 to 5.03.

The consent agenda included Phase P, S and C "unfunded approvals" for 143 projects, which when added to the previous list of "unfunded" projects results in a total of approximately \$966 million of "unfunded" projects.

Common Database for School Facilities Programs

The SAB approved funding in the amount of \$200,000 for contract services to develop a common database of project information. This database will provide up to date, project specific information from the Office of Public School Construction (OPSC), the Division of the State Architect and the California Department of Education. The OPSC will be the lead in this three-office task force. Once the common database development is completed, it will be accessible to school districts and the public via Project Tracking on the Internet.

Other Issues of Interest

1. Districts are reminded that the SAB amended its Deferred Maintenance policy on April 2, 1997, and deleted the requirement to file an application for the "basic" apportionment each year. Instead, all districts eligible by law or SAB policy to receive the basic apportionment will be allocated available funds in July of each year. Based on that allocation, districts are required to certify its matching deposit no later than September 30, 1998. The certification of district deposit is recognized by the SAB as the district's application for the basic apportionment. Any questions regarding Deferred Maintenance apportionments may be directed to Eddie Hernandez at (916) 327-0881 or via e-mail at ehernandez@dgs.ca.gov.
2. The OPSC satellite offices in San Diego, Fresno and Ontario are now in operation to serve school districts. Questions regarding appointment arrangements for the San Diego and Ontario offices may be directed to your Project Manager or Dave Fallis at (916) 323-0187 or via e-mail at dfallis@dgs.ca.gov. Questions regarding appointments at the Fresno office may be directed to your Project Manager or to Barbara Wilson at (916) 323-4461 or via e-mail at bwilson@dgs.ca.gov.

The OPSC is currently reviewing the possibility of opening a satellite office in Northern California.

3. The OPSC recently revised the Projected Average Daily Attendance, Form SAB 411 to provide school districts a more accurate representation of their growth projections. This form is accessible on the Internet. If you received a disk from the OPSC and/or downloaded the old version of the SAB 411 for the purposes of projecting an enrollment, please discard them. To obtain a new disk, contact Charlene Pope at (916) 323-9508.
4. An item was presented to the SAB on March 25, 1998 recommending additional funding for Construction Management (CM) fees for certain projects as a result of misunderstandings regarding the calculation of the CM fee as outlined in the current SAB CM Policy.

The SAB took no action regarding this request due to its concern with the unknown amount of funding that would be needed to address this issue. The SAB, however, allowed a 45 day period for the affected districts to submit information to the OPSC to support their request. The district's request for additional CM fees must include the following:

- A calculation of the CM fee based on the CM contract and cost estimates previously submitted to the OPSC for review/approval.
- A statement that the additional fee requested is a result of misunderstanding of the SAB CM policy.
- A statement that the project is for new construction and was funded from Proposition 203 funds for Phase C.
- The name of the architectural firm.
- The name of the CM firm.
- A statement regarding which firm (i.e. the architect or CM) that is in control of the plans and specifications.

School districts are reminded the last day to submit this request is May 8, 1998. After collection of the data outlined above has been received, an item will be presented to the SAB regarding this issue. Any questions regarding this issue may be directed to your Project Manager.

5. The new version of Project Tracking is now available on the OPSC web page. The Internet address is <http://www.dgs.ca.gov/opsc/protrack.htm> or you may access it on the OPSC web page at <http://www.dgs.ca.gov/opsc> and select Project Tracking.

Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON
Executive Officer

TWD:LH:lh

**DEPARTMENT OF GENERAL SERVICES
OFFICE OF PUBLIC SCHOOL CONSTRUCTION**

501 J STREET, SUITE 400
SACRAMENTO, CA 95814
<http://www.dgs.ca.gov/opsc>



June 1, 1998

Mass Mailer #98-06

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On May 27, 1998, the State Allocation Board (SAB) apportioned approximately \$3.4 million for on-going projects and bid approvals. The SAB also addressed other issues as follows:

Consent Calendar

The cost indices for Class B, D, Furniture and Equipment and the Historical Savings index remain the same as the previous month.

The consent agenda included Phase P, S and C "unfunded" approvals for more than 106 projects with an "unfunded" value of approximately \$66.4 million.

Status of Funds

The SAB has requested that the Office of Public School Construction (OPSC) prepare a report of those funds apportioned to districts that have not been released for expenditure from Proposition 203 funds. There is over \$300 million yet to be released. If your district has not been authorized to expend all funds apportioned from Proposition 203 to your district, please contact your Project Manager.

State Relocatable Program

The SAB took action to purchase an additional 140 buildings for lease to qualifying districts. Those districts that are next in line for lease of State Relocatables will be notified by separate action.

Deferred Maintenance Critical Hardship Projects

The SAB, on advice from counsel, has determined that contracts for critical hardship projects entered into by applicant districts based upon the recommendation of the district's architect and in which the architect has a financial interest are in violation of Government Code Section 1090 and are therefore void under California law. Any expenditures made on these contracts are deemed improper. The SAB has directed the OPSC to initiate collection procedures to recapture state funds expended by applicant districts that were used for these improper expenditures. The OPSC has identified certain districts where this may have occurred and these districts will be notified by separate letter on the process for collection.

The SAB further directed the OPSC to develop a policy that will withhold funding for any sole source contract awarded under the provisions of Public Contract Code (PCC) Section 20113 unless the district has obtained approval of its board by unanimous vote that an "emergency" exists, approval of the "emergency" by the county superintendent of schools and approval to award by the OPSC. The SAB Implementation Committee will develop a final policy for

consideration by the SAB in the near future. Until a policy has been formally developed and approved by the SAB, any

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district which proposes to use the emergency provisions of PCC Section 20113 to award a contract on an “emergency” basis must contact Ms. Audrey Edwards at (916) 327-9249 or via e-mail at auedward@dgs.ca.gov for pre-approval of the award or the contract will be deemed ineligible for State funding.

Other Issues

Please join the OPSC in congratulating Richard Sheffield on his promotion to Supervisor of the Change Order and Cost Allowance Team (COCAT). Any questions regarding COCAT may be directed to Richard at (916) 322-0329 or via e-mail at rsheffie@dgs.ca.gov.

OPSC Change Order Review and Approval Process

In order to streamline the review/approval process for change orders, the OPSC has implemented the following procedures:

1. Before a change order will be accepted for review/approval by the OPSC, the following items must have been completed:
 - The change order must have signatures from the district representative, architect, contractor and approval by the Division of the State Architect.
 - The architect must have classified each item in the change order as building, utilities, service/off/general site development, demolition etc.
 - The change order for the contract is in sequence (i.e. change order 1 and 2 must have been submitted to the OPSC before change order 3).If the above items are not complete, the OPSC will return the change order to the district with an explanation as to what is needed to complete the review/approval process. If all items have been completed, the OPSC will deem the change order as “acceptable for review” and it will be processed in the order received.
2. All building item change orders for modernization will not be reviewed until the final audit of the project. Districts may submit the change order in advance and it will be included in the file for processing at final audit. Any change order request for non-building items such as general site development or utilities will not be approved by the OPSC.
3. The OPSC will no longer provide preliminary review/approval of any change order. Districts are advised to follow the Lease-Purchase Applicant Handbook which outlines which type and the dollar amount of change orders that are approvable for funding under the Program.

District cooperation in adhering to these procedures will allow the OPSC to process complete change orders submittals in a more timely manner.

OPSC Review of Final Plans and Specifications (P&S)

Once a final P&S package is received by the OPSC for processing of a Phase C request, a preliminary review of the package will be made to assure that all the following items have been submitted: P&S on CD-ROM or “Zip Drive”, current cost estimate Form SAB 506 with back-up, 3A diagrams, Form SAB 74H (class D) or Form SAB 74F (class B), Form SAB 390 (if DSA approved) and any addenda (if applicable). If all the above items have not been submitted with the Phase C request, the OPSC will notify the district of the additional items needed before a Phase C request may be processed. If the items are not received by the OPSC within ten days of the date of the notification to the district, the OPSC will return the Phase C request to the district. If all items are present, the OPSC will deem the submittal “acceptable for review” and it will be processed in

accordance with the SAB review priorities. Once the acceptable Phase C package is ready for processing, It is the OPSC goal to complete the plan review within four hours.

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Storm Water Pollution Prevention Policy

For new construction Lease-Purchase projects of over five acres where there will be site disturbance (i.e. rough/ fine grading, trenching), districts are reminded that it is responsible for complying with the Federal Clean Water Act. In accordance with this Act, districts are required to secure a water permit. The water permit cannot be secured without a Storm Water Pollution Plan, the filing of a Notice of Intent and the payment of a \$250 to \$500 fee. For specific information regarding preparation of the Storm Water Pollution Prevention Plan and the water permit, districts may contact Bruce Fujimoto at the State Water Resources Control Board at (916) 657-0908.

Although responsibility for the development of the Storm Water Pollution Plan rests with the district, the project architect will ultimately detail the specifics of the storm water mitigation measures in the plans and specifications. The approved costs associated with the planning, Notice of Intent Fee and minimum service site Storm Water Pollution Plan activities may be eligible project costs as long as the costs are itemized and substantiated by the Plan.

All modernization, reconstruction, rehabilitation, air-conditioning, deferred maintenance, state relocatables, child care facility projects are exempt from this requirement.

Lease-Purchase Applicant Handbook

The Lease-Purchase Applicant Handbook has been revised and is available now on the Internet for downloading at: <http://www.dgs.ca.gov/opsc/pdf/handbook.pdf>. It has instant search capabilities by clicking on any item in the table of contents.

Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON
Executive Officer

TD:PS:ps

**DEPARTMENT OF GENERAL SERVICES
OFFICE OF PUBLIC SCHOOL CONSTRUCTION**

501 J STREET, SUITE 400
SACRAMENTO, CA 95814
<http://www.dgs.ca.gov/opsc>



June 30, 1998

Mass Mailer #98-07

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On June 24, 1998, the State Allocation Board (SAB) apportioned approximately \$16.3 million for on-going projects and bid approvals. The SAB also addressed other issues as follows:

Consent Calendar

The cost indices for Class B, D, Furniture and Equipment and the Historical Savings index remain the same as the previous month.

The consent agenda included Phase P, S and C "unfunded" approvals for more than 112 projects with an "unfunded" value of approximately \$71.9 million.

Status of Funds

Districts are advised that funds reserved for Hardship Projects have been exhausted. Therefore, any request for hardship funding will be placed at the top of the "unfunded" list, either as a priority one or two project, in accordance with SAB policy adopted on June 25, 1997. The SAB accepted a report identifying those funds apportioned to districts that have not been released for expenditure from Proposition 203 funds. There is over \$300 million yet to be released. Of this amount, approximately \$100 million is for deferred items and Phase P approvals. Districts are advised that if these funds have not yet been released to the district to contact your Project Manager for details regarding what is needed in order to receive these funds. The Office of Public School Construction (OPSC) will be sending letters to districts in the near future regarding the release of these funds.

Districts that received an apportionment for Joint Use funds on August 27, 1997, are advised that these apportionments are subject to a time limit policy of 18 months to commence construction. Should you have questions regarding the time limit policy, please contact Don Hartin at (916) 445-0529 or via e-mail at dhartin@dgs.ca.gov.

Construction of New Area in lieu of Modernization

There have been several requests from different school districts to allow the district to construct new facilities by utilization of the modernization allowance that the SAB would have provided for a specific project. The SAB, on a case-by-case basis has allowed this with a provision that the district would be responsible for all funding of the project that exceeds the State's share as a 50/50 modernization project. The SAB directed the OPSC and the SAB Implementation Committee to develop a policy regarding this issue. A proposed policy has been developed and will be discussed at the SAB Implementation Committee scheduled for July 8, 1998.

Construction Management Fee Adjustment

An item was presented to the SAB on March 25, 1998 recommending additional funding for

-2-

Construction Management (CM) fees for certain projects as a result of misunderstandings regarding the calculation of the CM fee as outlined in the current SAB CM Policy. Existing policy provides that the maximum CM fee and the allowable general conditions are calculated on the building cost portion of the project. The building cost portion (i.e., building allowance) for a project does not include service site, off-site or general site developments, utilities, unconventional energy, educational technology or any other "line item" allowance provided by the SAB as a result of unique construction features in the project. The total construction allowance for a project is the sum of all the "line item" allowances plus the building allowance.

The SAB allowed the affected districts until May 8, 1998, to submit specific information to the OPSC to support their request. The OPSC received three requests for additional funding. The SAB approved additional CM funding for one project that met the SAB criteria and the remaining two requests were withdrawn by the districts pending further review.

The SAB provided that modernization projects that were funded for Phase C with Proposition 203 funds may have the CM fees calculated on the total construction costs as long as the total fees are funded within the modernization building allowance provided for that project. Should any district wish to have the eligible CM fees increased for the affected projects as a result of this action, it may do so and the adjustment in the CM fee will be made when the project is audited for close-out.

Districts are reminded that these actions only applied to specific projects and that the current SAB policy regarding the calculation of CM fees for both new construction and modernization projects is based on the building cost of the project and not the total construction cost.

Construction Management Policy

The SAB addressed an item that would clarify the SAB CM Policy regarding the use of a CM on a project that will utilize a general contractor. The SAB took no action on this issue, but requested that it be reconsidered at the SAB meeting scheduled for September 23, 1998. Should any district wish to use CM services on a project that will utilize a general contractor, approval for such a request must be made to the SAB on a case-by-case basis.

Revised Application Process for Air-Conditioning/Insulation (ACI) Projects

The SAB adopted a new streamlined application process for the ACI Program which gives authority to districts to expend the project budget without continuous oversight by the OPSC. Essentially, a preliminary and final budget is developed which is then treated as a grant and provided to the district as a lump sum to complete the project. There would be no restrictions as required in the current process that specific amounts in the budget be used for specific items such as architect fees, construction management, Division of the State Architect (DSA) fees, tests, inspection, etc. This new process applies to all projects currently on the ACI "unfunded" list and to any project approved on or after June 24, 1998. The OPSC has developed the final forms, revised the ACI Handbook and will make them available to districts on the Internet as soon as possible. Should you have questions regarding this new process, please contact Sally Lemenager at (916) 323-0139 or via e-mail slemenager@dgs.ca.gov.

Other Issues

1. Please join us in congratulating Lyle Smoot as he has elected to accept employment with a school district. Mr. Smoot has resigned his position as Assistant Executive Officer of the SAB. Lyle has served the State for over 34 years of which 14 of those years were as the SAB's

Assistant Executive Officer. Lyle will be greatly missed at the OPSC. As an interim measure, Luisa Park will serve as Chair to the SAB Implementation Committee until a new person has been appointed to the Assistant Executive Officer position.

-3-

2. In the OPSC Advisory letter dated June 1, 1998, districts were advised by the OPSC about the streamlined review/approval process for change orders. Those guidelines indicated that if the change order was not approved by the DSA, the change order would not be processed and would be returned to the district. Please note that the OPSC will accept a certification from the architect of record for the project that, if the change is for non-structural items, the DSA approval is not required. Should you have questions regarding this issue, please call Richard Sheffield at (916) 322-0329 or via e-mail at rsheffie@dgs.ca.gov.
3. Districts are reminded the SAB Disabled Veteran Business Enterprise (DVBE) Policy requires that all contracts that exceed \$10,000 must have 3% participation from DVBE unless the district has demonstrated it has met the "good faith effort" criteria outlined in law and SAB policy. The Policy provides that districts are responsible for compliance with this provision and that it must certify to the OPSC that it has met the DVBE criteria prior to award. The OPSC requires the DVBE certification for any contract where the SAB approves the bid prior to award. Since the OPSC only requires bid documents and SAB approval of the main construction contract(s), there are many contracts which the SAB does not approve in advance such as architectural, inspection, furniture/equipment (F&E), etc. For those contracts that are not pre-approved by the SAB, the determination of DVBE compliance will be verified by the OPSC at the final audit for close-out of the project. At that time, districts will be required to provide evidence that it complied with the DVBE provisions. Any contract that does not meet the SAB DVBE Policy will be deemed ineligible for State funding and must be paid separately by the district. Should you have questions regarding DVBE compliance, please contact Audrey Edwards at (916) 327-9249 or via e-mail at aedwards@dgs.ca.gov.
4. Districts are also reminded that all projects that will be funded for Phase C with post Proposition 203 funds, the educational technology (ET) allowance is calculated at 5% of the building allowance for new construction projects and 5% of the 25% modernization building allowance for modernization projects. The SAB directed that the ET allowances for any project funded with post Proposition 203 funds, may only be used for wiring, cabling and power upgrades and are not available for F&E. There are some districts that believe these ET allowances were subject to further SAB action to continue the allowance. This not the case, as only additions to these allowances must have further SAB action and approval.

Districts are advised that some plan reviews developed by the OPSC for projects that will be funded from future bonds identified the ET allowance, but deferred the entire amount of the allowance for future even if the architect had identified ET in the bid. Since some or all of the ET allowance may have been identified as being in the plans and specifications by the architect, the OPSC will adjust the construction allowance at bid time to account for any ET that was in the bid. If the entire ET allowance was not identified as being in the bid, the balance of the ET allowance will be automatically deferred for future.

For your convenience, copies of the applicable agenda items regarding the issues contained in this letter are enclosed. Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON

Executive Officer

TD:PS:ps

Attachment

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting June 24, 1998

REVISED APPLICATION PROCESS
YEAR-ROUND AIR CONDITIONING/INSULATION PROGRAM

PURPOSE OF REPORT

To present a request to modify the Air-Conditioning/Insulation (ACI) Program.

DESCRIPTION

The Office of Public School Construction (OPSC) has developed a streamlined application process for the ACI Program which gives authority to districts to expend the project budget without continuous oversight by the OPSC.

Review and processing of this revised application by the OPSC and subsequent SAB approval should take no more than 60 days. Initial project approval (either as "unfunded" or with apportionment) will be based on estimated project cost and adjusted to the final SAB allowance after submittal of the final Division of the State Architect (DSA) plans and specifications (P&S). Ten percent of the initial budget will be released to the district for planning and the balance after submittal of the DSA approved P&S.

When the district presents the DSA approved P&S, the OPSC will develop a final project budget. The final budget will contain eligible amounts for construction and planning costs based on existing cost standards. The remaining budget costs for items such as DSA fees, printing, advertising and tests/inspection will be determined by formula based on historical data of projects previously funded by the SAB.

Once the final budget allowance is developed and approved by the SAB, it is then treated as a grant and provided to the district as a lump sum to complete the project. There would be no restrictions as required in the current process that specific amounts in the budget be used for specific items such as architect fees, construction management, DSA fees, tests, inspection, etc.

When the final budget is provided, the district would not be allowed additional funding for the project. To assure that the funds were expended appropriately, the OPSC would continue to conduct an audit to assure that State funds were spent for purposes of the project (see Attachments A and B). Additionally, many current SAB policies, existing forms and OPSC processing procedures will be eliminated.

The OPSC and the SAB Implementation Committee support this revised application process.

RECOMMENDATIONS

1. Approve the revised application process as outlined in this report to be applied to all projects not funded for construction (Phase C) as of June 24, 1998.
2. Provide that the final allowance shall be deemed the SAB construction cost standard for the project.
3. Direct staff to update the existing forms/handbook to be in conformance with this new policy.

ATTACHMENT A

AUDIT FUNCTION AND EXPENDITURE GUIDELINES BY THE OPSC AIR-CONDITIONING/INSULATION PROGRAM

EXPEDITURE GUIDELINES

Districts are responsible to assure that adequate funds are expended from the final budgeted allowance for the categories outlined on Form SAB 307 for planning, construction, tests and inspection. Although there is no specific requirement that funds be expended for the specific amounts shown on this form, the district is advised that funds should be expended in reasonable amounts within these categories to complete the project so it will meet the education needs of the pupils. The district should exercise caution when entering into agreements for architectural and construction management services to ensure that the fees negotiated are not excessive in relation to the remaining funds available to complete the project. Additionally, districts are encouraged, but not required, to have at least \$500,000 in errors and omissions insurance for all architectural services. General guidelines for reasonable fees for these services are shown on Attachment B.

AUDIT FUNCTIONS

A review of the expenditures reports submitted by the district for the project will focus to assure that funds provided by the State are matched by the district and spent for purposes of the project. Funds may be spent in any of the broad categories shown below to complete the project with no limitation within the final budget for each category.

Planning

Includes costs for architectural services, DSA fees and preliminary tests

Construction

Includes costs applicable for the construction work permitted under the Air-Conditioning/Insulation Program, including construction management fees, utilities, general site development and change orders necessary for the work to complete the project as approved by the SAB.

Testing/Inspection

As necessary to complete the project up to 35 days past the date the notice of completion (NOC) is filed for the project.

Districts are advised that expenditures for the following services or items will be deemed ineligible:

1. Costs paid for the services of a consultant to file or manage the application for the district.
2. Cost paid for legal services other than the costs for development of the EID.
3. Administrative costs of district personnel to manage the application.
4. Cost of force account labor, other than those allowed in accordance with the Public Contract Code.
5. Construction litigation cost and applicable legal fees.

ATTACHMENT A (continued)

6. Any costs deemed by the OPSC to be outside the normal guidelines for the scope of the project. Examples are items such as vehicles, buses, salaries of district employees (other than forced labor account permitted by the Public Contract Code) or expenditures applicable to other projects.

Districts will be required to submit expenditure reports for the project within one year from the date the NOC is filed for the project. If the expenditure reports are not received within that time frame, the apportionment may be subject to rescission. The district may submit a formal request for an extension of the audit.

Once the OPSC receives the complete expenditure reports, an audit by the OPSC will be conducted within one year from that date, otherwise, the expenditure report will be accepted with no further review and the project close-out and funds adjusted accordingly.

ATTACHMENT B

REASONABLE FEES FOR ARCHITECTURAL AND
CONSTRUCTION MANAGEMENT SERVICES

AIR-CONDITIONING/INSULATION PROGRAM

ARCHITECTURAL FEES

<u>Percentage</u>	<u>Construction Costs as determined by the OPSC</u>
12% of first	\$ 500,000
11.5% of the next	\$ 500,000
11% of the next	\$ 1,000,000
10% of the next	\$ 4,000,000
9% of the next	\$ 4,000,000
8% of construction costs in excess of	\$10,000,000

CONSTRUCTION MANAGEMENT FEES
Combined Pre-Construction and Construction Phases

<u>Percentage</u>	<u>building cost</u>
8% of first	\$ 500,000
7.5% of the next	\$ 500,000
7% of the next	\$ 1,000,000
6% of the next	\$ 1,000,000
5% of the next	\$ 4,000,000
4% of building cost allowance in excess of	\$10,000,000

The fee determined in the schedule above should not exceed the following:

- 50 percent for pre-construction services that include the bidding phase.
- 37.5 percent for pre construction services that do not include the bidding phase.
- 50 percent for the construction phase, that does not include the bidding phase.
- 62.5 percent for the construction phase that includes the bidding phase.

General Conditions

<u>Percentage (non-graduating)</u>	<u>building cost</u>
15%	up to \$ 200,000
10%	up to \$ 500,000
8%	up to \$ 1,000,000
6.5%	up to \$ 2,000,000
5.5%	up to \$ 5,000,000



Date: August 7, 1998

Mass Mailer #98-08

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On July 22, 1998, the State Allocation Board (SAB) apportioned approximately \$1.7 million for on-going projects, bid approvals, and a consent special item. The SAB also addressed other issues as follows:

Consent Calendar

The cost indices for Class B, D, and Furniture and Equipment remain the same as the previous month. However, the Historical Savings Index decreased from 5.03 to 4.39.

The consent agenda included Phase P, S and C "unfunded" approvals for more than 168 projects with an "unfunded" value of approximately \$92 million.

Status of Funds

The Office of Public School Construction (OPSC) informed the SAB that there are "unfunded" change order requests in the amount of \$212,962. The OPSC will prepare a proposal for the August 26, 1998 SAB meeting to fund these change order requests.

Personnel Appointments

Assistant Executive Officer to the SAB

Please join us in congratulating Mr. Bruce Hancock as the newly appointed Assistant Executive Officer to the SAB. Effective immediately, Mr. Hancock will serve as the Chair of the SAB Implementation Committee.

Supervisor of the Southern Region

Please join us in also congratulating Ms. Lina Lessa as the new Supervisor of the Southern Region. Effective immediately, Ms. Lessa will be assuming all responsibilities for the Southern Region, as Mr. Dave Fallis is retiring as of September 1, 1998.

Other Issues

Charter Schools

Over the years, the OPSC has received many inquiries regarding the ability to accommodate Charter School projects under the Lease-Purchase Program. The following clarification is provided:

A Charter School is regarded as a school within an existing school district and contributes to the district's projected average daily attendance (ADA) and capacity. The students who are enrolled in a Charter School are reported as a part of the district's current and historical enrollment for purposes of projecting ADA. The district may file an application to construct new facilities for a Charter School at an existing or new school site. Applications may be submitted directly to the OPSC by the school district in which the Charter School is located.

Should you have any questions regarding this issue, please contact Lien Hoang at (916) 445-3833 or via e-mail at lhoang@dgs.ca.gov.

Interim Housing Allowance

There has been some confusion regarding the Interim Housing allowance provided for displaced students in a modernization project. The following information is intended to clarify the issue:

School districts are responsible for expending, from district funds, at least \$2,000 per year per classroom, or at least \$200 per month per classroom for temporary facilities during modernization. The SAB will:

1. Provide an amount for delivery and set-up costs not to exceed \$500 for each classroom unit, not to exceed actual cost;
2. Allow an augmentation to the District's \$200 amount of up to \$200 per month (not to exceed actual cost) for each 30 pupils, or portion thereof, displaced during the modernization process;
3. Provide this allowance for the life of the modernization contract, plus a maximum of 30 calendar days;
4. Provide this allowance for interim housing in addition to the 25 percent modernization allowance.

School districts must secure a lease of these facilities through the competitive bid process.

School districts must request interim housing assistance and indicate the number of pupils to be assigned to the interim housing. The number of facilities required is determined by dividing the number of ADA to be housed in interim facilities by 30 to arrive at the number of necessary classrooms. An additional classroom may be provided for any fraction of ADA remaining. Multiply the number of classrooms by \$2,000 to arrive at a total allowance for this project. The SAB will also provide funding in the same manner previously indicated for one administration building if there is administration area in the modernization project.

No apportionment will be made for interim housing expenses until Phase C approval. Any necessary adjustments to the allowance will be made at that time when the completion date of the contract is known.

Scheduling of the Satellite Offices

In order to provide our customers with the best service possible, the OPSC has established satellite offices in the Fresno, San Diego, and Ontario areas. The satellite offices will be managed on specific weekdays by different teams within the OPSC, such as Special Programs, Program Services, and Fiscal Services. All offices are available other days of the week by appointment. The attached chart details specific information with respect to what OPSC section will be available to assist you on particular days of the month.

Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON
Executive Officer

TWD:LJ:lj

Attachment

Attachment

SATELLITE OFFICE/ OFFICE HOURS	ADDRESS/PHONE AND FAX NUMBERS	DAY OF THE MONTH OPSC STAFF AVAILABLE	THE OPSC STAFFING SECTION
<p>San Diego</p> <p>8:00 a.m. – 4:00 p.m.</p>	<p>San Diego Co. Superintendent of Schools 6401 Linda Vista Rd., Room 406 San Diego, CA 92111</p> <p>Phone: (619) 292-3598 Fax: (619) 614-0365</p>	<p>Every Tuesday and other days by appointment</p>	<p>1st week: Special Programs 2nd week: Program Services 3rd week: Program Services 4th week: Fiscal Services</p>
<p>Ontario</p> <p>8:00 a.m.– 4:00 p.m.</p>	<p>NEW LOCATION:</p> <p>Allegiance Center 2151 Convention Center Way, Suite 209A Ontario, CA 91764</p> <p>Phone: (909) 605-1857 Fax: (909) 605-1887</p>	<p>Every Wednesday and other days by appointment</p>	<p>1st week: Program Services & Special Programs 2nd week: Program Services 3rd week: Program Services 4th week: Fiscal Services</p>
<p>Fresno</p> <p>8:00 a.m. – 4:00 p.m.</p>	<p>Fresno Co. Office of Education 2030 Fresno Street, Room 210T Fresno, CA 93721</p> <p>Phone: (209) 497-3916 Fax: (209) 497-3917</p>	<p>Every Thursday and other days by appointment</p>	<p>1st week: Program Services & Special Programs 2nd week: Program Services 3rd week: Program Services 4th week: Fiscal Services</p>

If for some reason the specified days are not convenient for our customers, additional days may be scheduled in these offices upon request. Please call your Project Manager if you have an interest in knowing what specific Project Manager will be attending a given satellite office.



Date: September 16, 1998

Mass Mailer #98-09

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On August 26, 1998, the State Allocation Board (SAB) apportioned approximately \$3.6 million for on-going projects, bid approvals, and consent special/appeal items. The SAB also addressed other issues as follows:

Consent Calendar

The cost indices for Class D, Furniture and Equipment, and Historical Savings Index remain the same as the previous month. However, the cost index for Class B increased from 1.29 to 1.30.

The consent agenda included Phase P, S and C "unfunded" approvals for more than 193 projects with an "unfunded" value of approximately \$85.5 million.

Status of Funds

The Office of Public School Construction (OPSC) presented a change order funding proposal. The SAB adopted to fund the change orders on the "unfunded" list, and to continue funding change orders on an on-going basis from the Contingency Reserve "Change Orders" category.

Other Issues

Senate Bill 50, Chapter 407

As you are aware, the Governor's Budget includes new school facilities legislation which will be placed on the November ballot as Proposition 1A. It is called the Leroy F. Greene School Facilities Act of 1998: Class Size Reduction Kindergarten-University Public Education Facilities Bond Act of 1998. If approved by the electorate, it will provide school facilities funding in the amount of \$9.2 billion over a four-year period for grades K-12 and higher education. The OPSC is being proactive by focusing on program processes in anticipation of the largest bond act in history becoming a reality. In order to remain informed regarding this issue, the OPSC suggests:

- Reviewing the OPSC Web Page for the latest information,
- Reference future Advisory letters, or
- Attending SAB Implementation Committee meetings, devoted to SB 50. The proposed dates of the SAB Implementation Committee meetings are September 10, 17, 18, and 24; October 1 and 8, 1998. Be aware that these meetings may continue into the following day if it is determined that it is necessary in order to meet the established timelines. The locations and times will be announced.

Interim Housing Allowance

In the last Advisory letter, dated August 7, 1998, the OPSC addressed the issue of the Interim Housing allowance. However, the OPSC did not address how the allowance is determined. The following formula is intended to clarify the issue:

The number of eligible classrooms multiplied by the length of the contract (plus one month) multiplied by \$200. Add an additional one-time set-up cost of \$500 per unit.

For further information regarding the Interim Housing allowance, please refer to the Advisory letter, dated August 7, 1998.

Deferred Maintenance Program

On August 19, 1998, changes to County assignments were made to the Deferred Maintenance Unit. Should questions arise regarding projects and/or Five-Year Plans, please refer to the OPSC internet address: <http://www.dgs.ca.gov/opsc/defm.htm> for County assignments.

Deferred Maintenance Program Apportionments

The SAB approved basic funding apportionments for participating districts and critical hardship projects. Districts have been notified of the SAB's action. However, please be aware that the amounts used to calculate each district's apportionment will be adjusted at the October 28, 1998 SAB meeting. Districts will be informed of the SAB's action.

Contracts

Please be advised that districts planning to participate in any SAB programs, need to assure that all contracts entered into must meet the statutory requirements of the Education Code, the Government Code, Public Contract Code, California Code of Regulations (Title 24), and any other legal requirements deemed to be appropriate. Districts should contact their legal counsel to determine if their contracts meet all the necessary legal requirements prior to the start of any work.

State Relocatable Classroom Program

The SAB approved the purchase of 275 additional relocatable buildings in order to fulfill district requests. The OPSC is currently working with the Department of General Services/Procurement Division to ensure a timely purchase of the buildings. Should districts have any questions, please contact Olivia Campos-Mulligan at (916) 323-2282 or via e-mail at ocampos@dgs.ca.gov.

Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON
Executive Officer
TWD:LJ:lj



Date: October 6, 1998

Mass Mailer #98-10

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On September 23, 1998, the State Allocation Board (SAB) apportioned approximately \$4.8 million for on-going projects, bid approvals, and a consent special item. The SAB also addressed other issues as follows:

Consent Calendar

The cost indices for Class B, D, Furniture and Equipment, and the Historical Savings Index remain the same as the previous month.

The consent agenda included Phase P, S and C “unfunded” approvals for more than 93 projects with an “unfunded” value of approximately \$46.8 million.

Status of Funds

The Office of Public School Construction (OPSC) is continuing to prepare items for funding that are of a consent nature for on-going projects and bid approvals, pursuant to the SAB’s direction.

OTHER ISSUES

Air Conditioning/Insulation Program

Air Conditioning/Insulation Program projects that received apportionments from Proposition 203, and for which districts have not yet provided the necessary documents to establish the project allowance, must submit these documents to the OPSC by January 15, 1999. A report will be presented at the February SAB meeting regarding the status of outstanding apportionments. If you have any questions, please contact Maria Ruiz at (916) 324-9981 or mr Ruiz@dgs.ca.gov via e-mail.

SAB Meetings

Please be advised that the SAB meetings will be held at the standard time of 4:00 p.m., regardless if the Legislature is out of session. Additionally, the Board dates for the remaining 1998 calendar year are October 28, 1998 and November 18, 1998. After the November meeting, the next scheduled SAB meeting will be January 27, 1999.

Update on Senate Bill (SB) 50

The SAB was informed as to the progress of SB 50. The OPSC will present emergency regulations to the SAB for approval at the October 28, 1998 meeting. Should Proposition 1A be successful, these regulations will need to be in place on an emergency basis until final regulations are submitted to the Office of Administrative Law.

Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON
Executive Officer

TWD:LJ:lj



Date: November 9, 1998

Mass Mailer #98-11

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On October 28, 1998, the State Allocation Board (SAB) apportioned approximately \$5.5 million for on-going projects, bid approvals, and three consent special items. The SAB also addressed other issues as follows:

Consent Calendar

The cost indices for Class B Construction has increased to 1.31, the Class D Construction to 1.29, and the Historical Savings Index has increased to 6.19, all effective as of October 1, 1998.

The consent agenda included Phase P, S and C "unfunded" approvals for more than 444 projects with an "unfunded" value of approximately \$214 million.

Status of Funds

The Office of Public School Construction (OPSC) is continuing to prepare items for Lease-Purchase Program (LPP) funding for projects that are of a consent nature for on-going costs and bid approvals.

Deferred Maintenance Apportionments

Please be advised that the deadline for the county treasurer to certify that school districts have made the annual deposits into their Deferred Maintenance Fund, for the 1997/98 Fiscal Year, has been extended to December 1, 1998. Due to the clarification of Education Code Section 39619, the SAB rescinded the previous apportionments made on August 26, 1998, and approved new apportionments for basic and critical projects. Each district will be notified of the SAB's action.

Senate Bill (SB) 50 Regulations

The SAB took no action regarding the adoption of the proposed regulations for the implementation of SB 50, Chapter 407, Statutes of 1998. The proposed regulations will be presented to the SAB for adoption on November 18, 1998.

Since the SAB has not yet adopted regulations for the implementation of SB 50, the OPSC is unable to accept applications for either eligibility or funding under the new School Facilities Program (SFP). Once the regulations are adopted by the SAB, they will be submitted to the Office of Administrative Law (OAL) for review. The OAL has ten days to either accept or reject the regulations. If they are accepted within the ten day period, the OAL will file the regulations with the Secretary of State at which time the regulations will become operable on an emergency basis. If

they are accepted and filed by the OAL, the OPSC will be able to accept SFP applications and process them for review and approval by the SAB. The OPSC anticipates this will occur approximately December 1, 1998. If the regulations are rejected by the OAL, they will be returned to the OPSC for editing and reconsideration of adoption by the SAB.

As you are aware, Proposition 1A was successful on November 3, 1998; therefore, the OPSC can no longer accept or process any new LPP applications for initial approval. In addition, any LPP applications received by the OPSC, including appeal requests, that did not receive initial approval will be returned to the district without processing. All LPP projects that received full funding under the LPP will continue to be subject to all LPP provisions. Any LPP project that received initial approval and had either a Phase C approval or the plans and specifications (P&S) for the project were approved by the Division of the State Architect (DSA) prior to November 4, 1998, may be eligible to receive funding under the provisions of the LPP. Any LPP project that did not receive initial approval or the P&S for the project were not approved by the DSA prior to November 4, 1998, are not eligible for further funding under the LPP. These projects must be submitted as a new application under the provisions of the SFP.

Once the regulations have been adopted, the OPSC will notify the districts by separate letter regarding the status of their LPP projects and the options available for approval and/or funding as either a LPP or a SFP project.

Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON
Executive Officer

TWD:LJ:lj



December 4, 1998

Mass Mailer #98-12

To: All School Districts and County Superintendents of Schools

Subject: **SB50 EMERGENCY REGULATIONS**

The Office of Administrative Law approved emergency regulations for the Leroy F. Greene School Facilities Act of 1998 (SB 50) and filed those regulations with the Secretary of State on December 3, 1998. These regulations are now in effect for the new School Facility Program (SFP). Applications will now be accepted at the Office of Public School Construction (OPSC) that are in compliance with these regulations using the forms dated December 3, 1998. Applications submitted on form versions dated prior to December 3, 1998, will not be accepted.

For purposes of an application for funding of a modernization project, the district will be required to submit the Plans and Specifications (P&S) on CD ROM or Iomega Zip Disk for the project with Form SAB 50-04, *Application for Funding*. Additionally, the district must certify that the proposed work in the P & S is commensurate with the State grant and district matching funds that will be made available for the project. If the P & S are not commensurate with the funding made available, the OPSC will not deem those plans to adequately represent the project and will deny processing of the application. The approved regulations and the SFP forms are available on the OPSC web site: <http://www.dgs.ca.gov/opsc>.

The OPSC has 120 days to carry out the normal requirements to have the emergency regulations approved as permanent regulations. A 45-day public comment period, as well as one or more public hearings, will be publicly noticed some time in December 1998. Your comments concerning the regulations will be welcome at that time.

The OPSC will be conducting hands-on workshops on all aspects of the SFP throughout the state beginning in January 1999. A schedule will be developed and made available in the very near future.

I would like to thank all those individuals who dedicated their time to help in the promulgation of these regulations. If you have any questions regarding the application process, please contact your Program Manager.

Sincerely,

TED W. DUTTON, Executive Officer
Office of Public School Construction

TWD:DB:sn



Date: December 18, 1998

Mass Mailer #98-13

To: All School Districts and County Superintendents of Schools

Subject: **ADVISORY ACTIONS TAKEN BY THE STATE ALLOCATION BOARD AND OTHER ISSUES**

On November 18, 1998, the State Allocation Board (SAB) apportioned approximately \$600,000 for on-going projects, and bid approvals. On December 16, 1998, the SAB made apportionments from Proposition 1A funds in the amount of \$442 million for certain priority one new construction projects and joint use projects that were eligible for Phase C funding under the provisions of the Lease-Purchase Program (LPP). The SAB also addressed other issues as follows:

Consent Calendar

The cost index for Class D Construction increased from 1.29 to 1.30, effective November 1, 1998. The indices for Class B Construction, Furniture and Equipment and the Historical Savings Index remain unchanged.

The consent agenda for the meeting held on November 18, 1998, included Phase C "unfunded" approvals with linked phases (i.e., Phase P and/or S) for 37 projects with an "unfunded" value of approximately \$50 million. The agenda for December 16, 1998, included Phase C apportionments for 143 new construction and joint use projects in the amount of \$442 million. Districts are advised that new construction projects that received Phase C apportionments are subject to a one year Time Limit on Apportionment Policy and that joint use projects that received a Phase C apportionment are subject to an 18 month Time Limit on Apportionment policy under the provisions of the LPP. For specific information regarding these time limits, contact Don Hartin at (916) 445-0529 or via e-mail at dhartin@dgs.ca.gov.

Status of Funds

There is approximately \$130 million of Proposition 203 funds remaining in the LPP to address on-going project costs, bid approvals and funds needed for the Northridge Earthquake Program. Disposition of any Proposition 203 funds not needed for these purposes will be addressed by the SAB at the January 27, 1999, Board meeting.

OTHER ISSUES

Senate Bill (SB) 50 Regulations

At the November 18, 1998 meeting, the SAB approved the Emergency Regulations for implementation of SB 50, with two amendments. The first amendment added Regulation Section 1859.35 which clarified the methodology used for calculating the existing school building capacity of the district for purposes of new construction eligibility. The SAB directed that the adjustment in the existing school building capacity would be made based on the greater of the Substantial Enrollment Requirement (i.e. the 6% or 8% adjustment) or the pupils receiving operational grants pursuant to Education Code Section 42268. The second amendment deleted Regulation Section 1859.81(b)(4) which would have allowed certain LPP projects to meet the "reasonable effort" test of the financial hardship criteria.

The SB 50 Emergency Regulations and Forms were modified to include these amendments and submitted to the Office of Administrative Law (OAL). On December 3, 1998, they were approved by the OAL and filed with the Secretary of State. The Emergency Regulations became immediately effective and remain effective for 120 days while the OPSC completes the regulation process. Therefore, the OPSC is now accepting applications under the new School Facility Program (SFP). The SFP Emergency Regulations and Forms may be found on the OPSC web page at <http://www.dgs.ca.gov.opsc>. All SFP applications must be submitted on the forms dated December 3, 1998. Facsimiles of applications for eligibility and/or funding will not be accepted by the OPSC.

Funding of LPP Projects

In accordance with the provisions of the SFP Emergency Regulations, certain LPP projects may be funded under the provisions of the LPP with Proposition 1A funds if the district declares its intent to receive funding under the LPP for priority one modernization projects or convert a priority two project to priority one funding status no later than January 31, 1999. The specific projects are those that are deemed "grandfathered" pursuant to Regulation Sections 1859.13, 1859.14 or 1859.15 that had a Phase C "unfunded" approval or a Phase P approval and the Division of the State Architect (DSA) approval of the plans and specifications (P&S) prior to November 4, 1998.

If the district has a priority one modernization project that meets the above criteria and it intends to fund the project under the new SFP, the district must declare its intent to withdraw the application no later than January 31, 1999. If no declaration is received by the OPSC by that date, the project will receive funding as a priority one (i.e. 50/50) LPP project.

If the district has a priority two project that meets the above criteria but does not declare its intent to convert the project to priority one funding status by January 31, 1999, the project will be deemed withdrawn under the provisions of the LPP and the district will be required to submit a new application under the provisions of the SFP. Those affected districts that have projects that meet the criteria for "grandfathering" will be notified by separate letter.

If your district has a LPP project that received Phase P approval, but the P&S that were approved by the DSA prior to November 4, 1998, have not yet been submitted to the OPSC for processing,

please contact your Project Manager and submit the P&S as soon as possible in order to expedite the review/approval of your Phase C requests.

SFP Workshops

The OPSC has scheduled various SFP workshops throughout the state that will begin in January, 1999. For specific times and locations, please refer to the attached schedule or contact your Project Manager for details. If your district or county would be interested in hosting a SFP workshop sometime next year, please contact Lien Hoang at (916) 445-3833 or via e-mail at lhoang@dgs.ca.gov.

OPSC Project Managers

As a result of the projected workload from the LPP and the new SFP, the OPSC has re-organized its Project Management Section into a Northern Region under the management of Audrey Edwards and a Southern Region under the management of Dave Zian. Some Supervisors and Project Managers have also been reassigned. For specific information on the OPSC re-organization, please refer to the OPSC web page @ www.dgs.ca.gov/opsc.

Form SAB 02

Form SAB 02, *School District Board of Trustees Resolution*, is no longer required to be completed and submitted to the SAB and the DSA. This Form was previously used by the district to certify that the project's cost, regardless of funding source, and the project's building area were within the standards of the LPP pursuant to Education Code Section 39140 (now 17280). That Section was amended and this certification requirement was deleted.

Should you have questions regarding the contents of this letter, please contact your Project Manager.

Sincerely,

TED W. DUTTON
Executive Officer

TWD:BAF:ed

SB 50 Workshop Schedule

Date	Location/Contact	Time
1/5/99	Riverside County Office of Ed. Fourth Floor Board Room 3939 Thirteenth Street Riverside, CA 92501 (909) 788-6630 Contact: Phil Rizzo	9:00-12:00
1/6/99	San Francisco County 135 Van Ness Avenue, Rm. 211 San Francisco, CA (415) 695-5930 Contact: Olivia Rocha	10:30-12:00
1/8/99	Contra Costa County Office of Ed.* 77 Santa Barbara Road Pleasant Hill, CA 94523 (925) 942-3333 Contact: Don Maderious	9:30
1/11/99	Alameda County Office of Education 313 W. Winton Avenue Hayward, CA 94544-1198 (510) 670-4194; Fax (510) 670-4507 Contact: John Shaw	9:00
1/12/99	San Diego County Office of Education 6401 Linda Vista Road San Diego, CA 92111-7399 (619) 292-3884 Contact: Bob Nicholson	9:00
1/12/99	Kern County Office of Education 1300 17 th Street, Civic Center Bakersfield, CA 93301 (805) 636-4599 Contact: Steve Hartsell or Mary Wilkins	8:30
1/19/99	Fresno County Office of Education 1111 Van Ness Street, #201 Fresno, CA 93721 (559) 265-3010 Contact: Charlotte Nunn	9:00

* Marin and Solano counties invited

1/20/99	Ventura County Office of Ed. 5189 Verdugo Way Camarillo, CA 93012 (805) 383-1905 Contact: Stan Mantooth	9:00
1/22/99	Shasta County Office of Ed.** 1644 Magnolia Avenue Redding, CA 96001-1599 (530) 225-0220 Contact: Rob Barnes	8:30
1/25/99	El Monte/Rosemead Adult School El Monte Union High School District 10807 Ramona Blvd. El Monte, CA 91731 (626) 443-9491 Contact: Ms. Nancy Oleson	9:00

** Del Norte, Siskiyou, Modoc, Humboldt, Trinity, Lassen, Tehama, Glenn, Butte and Plumas counties invited