

LOS ANGELES UNIFIED SCHOOL DISTRICT
Board of Education Report



Report Number:	204-11/12
Date:	May 8, 2012
Subject:	Amendment to the Facilities Services Division Strategic Execution Plan (SEP) to Define and Approve Three Major Repair Projects
Responsible Staff:	
Name	Kelly J. Schmader, Chief Facilities Executive
Office/Division	Facilities Services Division
Telephone No.	213-241-4811

BOARD REPORT

Action Proposed: Staff proposes that the Board of Education amend the Facilities Services Division (FSD) Strategic Execution Plan (SEP) to define and approve three Major Repair projects as follows:

- Girls' Gymnasium Fire Damage Repair Project at Franklin High School for \$1,225,767
- Auditorium Fire Damage Repair Project at Pacoima Middle School for \$3,069,473
- Overhead Walkway Repair Project at Dodson Middle School for \$141,277

Background: Historically, Facilities Maintenance and Operations (M&O) has relied on two primary funding sources to manage exigent school site repairs: Routine Repair General Maintenance (RRGM-General Fund) and Deferred Maintenance (DM). Additionally, M&O also manages the following bond programs: Measure R Major Repairs, Measure Y Major Repairs and Measure Y Basic Repairs.

The District has traditionally used General Funds to pay required deductibles for fire damage insurance claims. Sufficient funds have generally been available to front fund fire damage expenditures and to cover any elective work at fire damaged sites that may not be reimbursable.

State budget flexibility provisions have resulted in severe funding reductions to the RRGM and DM programs. As a result M&O is unable to address large, unforeseen critical repair needs and fire damage funding within the current funding levels.



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The following are scopes, schedules and budgets for the three recommended projects:

Girls' Gymnasium Fire Damage Repair Project at Franklin High School

In 2006, the 83-year-old girls' gymnasium at Franklin High School sustained major fire damage. The proposed project would cover design and construction of the necessary repairs to the gymnasium. The budget to complete the project is \$3,971,184.

To date, the District has covered payments to the contractor from initial insurance claims received and other General Fund sources that have traditionally been used to front fund fire damage repairs until reimbursements could be submitted to the insurance company. Therefore, this action will cover the total amount of bond funds needed to cover general fund expenditures incurred in FY 2012-2013 totaling \$472,205, plus necessary additional funding of \$753,562 for a total of \$1,225,767. It is expected that the insurance provider will reimburse the District this amount. These proceeds, when received, will be credited to the Major Repair program.

Construction began in July 2009 and concluded in November 2011.

This project is located in Local District 4 and Board District 5 (Bennett Kayser).

Auditorium Fire Damage Repair Project at Pacoima Middle School

In October 2008, the 53-year-old auditorium at Pacoima Middle School sustained major fire damage. The proposed project is to design and construct necessary repairs to the auditorium for a budget of \$4,432,203.

The insurance company will likely determine that a majority of the project costs will be eligible reimbursable expenditures. However, replacement of the stage rigging, which was not damaged by fire but will need to be replaced due to age and wear, will not be covered by the insurance company.



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Bond funds required to front fund the project and cover potential non-reimbursable renovations is \$3,069,473. Additional proceeds from the insurance provider are expected. These proceeds, when received, will be credited to the Major Repair program.

Demolition began in July 2011. Construction is expected to conclude in August 2012.

This project is located in Local District 2 and Board District 6 (Nury Martinez).

Overhead Walkway Repair Project at Dodson Middle School

Built in 1960, the 1,360 square foot overhead walkway at Dodson Middle School has spalling concrete that is starting to fall from the ceiling causing a potential hazardous condition at the site. The estimated cost to design and repair the damage is \$141,277.

The project is expected to begin construction in August 2012 and conclude in October 2012.

This project is located in Local District 8 and Board District 7 (Richard Vladovic).

Expected Outcomes: If the Board of Education approves staff's proposal, three critically needed Major Repair projects will move forward. These projects were identified because of their importance for student safety and health.

Board Options and Consequences: A "yes" vote will allow three critical Major Repair projects, for which funding is not currently identified, to move forward. If the proposed Board Report is not approved, safety and structural issues will remain unaddressed.

Policy Implications: These actions are consistent with the District's commitment to address unmet school facilities needs and provide students with a safe and healthy learning environment.

Budget Impact: If this item is approved, \$4,436,517 will be allocated toward the three identified projects from Major Repairs funding that was previously approved by the Board of Education. Sufficient budget authority has been made available due to the Board's April 10, 2012 action to cancel or defer previously approved Major Repair projects.

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Issues and Analysis: Project costs include appropriate soft costs and contingencies. The issues and analysis are as described by staff in the Background and Board Options and Consequences sections of this report.

Bond Oversight Committee Recommendations: This item was considered by the School Construction Bond Citizens' Oversight Committee (BOC) at its meeting of April 18, 2012. The BOC adopted the attached resolution by a vote of 7 ayes and 0 nays.

Staff has concluded that this proposed SEP amendment will facilitate implementation of the SEP, and therefore, it will not adversely affect the District's ability to successfully complete the SEP.

Attachments: N/A

Informative

**Desegregation
Impact Statement**

LOS ANGELES UNIFIED SCHOOL DISTRICT
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Respectfully submitted,

APPROVED BY:

DR. JOHN E. DEASY
 Superintendent

MICHELLE KING
 Senior Deputy Superintendent
 School Operations

REVIEWED BY:

APPROVED &
 PRESENTED BY:

DAVID HOLMQUIST
 General Counsel

Approved as to form.

KELLY J. SCHMADER
 Chief Facilities Executive
 Facilities Services Division

TONY ATIENZA
 Director of Budget Services and
 Financial Planning (Interim)

Approved as to budget impact statement.

**LOS ANGELES UNIFIED SCHOOL DISTRICT
SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE**

Stephen English, Chair

L.A. City Controller's Office

John Naimo, Vice Chair

L.A. Co. Auditor-Controller's Office

Pamela Schmidt, Secretary

Early Education Coalition

Maria Cabildo, Executive Committee

LAUSD Student Parent

Ilene Ashcraft, Executive Committee

Tenth District PTSA

Bill Brewington

Thirty-First District PTSA

Eva Hain

AARP

James Herr

L.A. Chamber of Commerce

Joan Sullivan

L.A. Mayor's Office

John Hakel

Assoc. General Contractors of CA

Paul Escala

CA Charter School Association

Quynh Nguyen

LAUSD Student Parent

Robbie Hunter

L.A. County AFL-CIO

Elizabeth Lugo

LAUSD Student Parent (Alternate)

Becki Nadybal

L.A. Mayor's Office (Alternate)

Wendy Watanabe

L.A. Co. Auditor-Controller's

Office (Alternate)

(Vacant)

American Institute of Architects

(Vacant)

California Tax Reform

Joseph P. Buchman – Legal Counsel

Burke, Williams & Sorensen, LLP

Thomas A. Rubin, CPA

Oversight Committee Consultant

Gary C. Anderson, PhD

Bond Administrator

Daniel Hwang

Administrative Analyst

RESOLUTION 2012-16

BOARD REPORT NO. 204-11/12

**Amendment to the Facilities Services Division Strategic Execution Plan (SEP) to Define and Approve
Three Major Repair Projects**

WHEREAS, District Staff proposes that the Board of Education amend the Facilities Services Division (FSD) Strategic Execution Plan (SEP) to define and approve three Major Repair projects as follows:

- Girls' Gymnasium Fire Damage Repair Project at Franklin High School for \$1,225,767
- Auditorium Fire Damage Repair Project at Pacoima Middle School for \$3,069,473
- Overhead Walkway Repair Project at Dodson Middle School for \$141,277 school facilities

WHEREAS, Historically, Facilities Maintenance and Operations (M&O) has relied on two primary funding sources to manage exigent school site repairs: Routine Repair General Maintenance (RRGM-General Fund) and Deferred Maintenance (DM). Additionally, M&O also manages the following bond programs: Measure R Major Repairs, Measure Y Major Repairs and Measure Y Basic Repairs;

WHEREAS, The District has traditionally used General Funds to pay required deductibles for fire damage insurance claims. Sufficient funds have generally been available to front fund fire damage expenditures and to cover any elective work at fire damaged sites that may not be reimbursable;

WHEREAS, State budget flexibility provisions have resulted in severe funding reductions to the RRGM and DM programs. As a result, M&O is unable to address large, unforeseen critical repair needs and fire damage funding within the current funding levels; and

WHEREAS, If the Board of Education approves staff's proposal, three critically needed Major Repair projects will move forward. These projects were identified because of their importance for student safety and health.

Bond Oversight Committee

333 S. Beaudry Avenue, 23rd Floor Los Angeles, CA 90017*(T) 213.241.5183*(F) 213.241.8354 *www.laschools.org/bond

Resolution 2012-16

Amendment to the Facilities Services Division Strategic Execution Plan (SEP) to Define and Approve Three Major Repair Projects

April 18, 2012

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WHEREAS, the FSD has concluded (1) that amending the FSD SEP to define and approve the three Major Repair projects identified herein will facilitate implementation of the FSD SEP, and (2) that the proposed amendment will not adversely affect the District's ability to successfully complete the FSD SEP;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The School Construction Bond Citizens' Oversight Committee (BOC) recommends that the Board of Education adopt an amendment to the FSD SEP. If the Board of Education approves staff's proposal, three critically needed Major Repair projects will move forward. These projects were identified because of their importance for student safety and health as described herein and in Board Report No. 204-11/12, a copy of which is attached hereto in the form it was presented to the BOC.
2. This resolution shall be transmitted to the Los Angeles Unified School District Board of Education and posted on the BOC's website.
3. That a written response, as required by the Charter and Memorandum of Understanding between the District and the BOC shall be provided to the BOC within 30 days, reporting either action taken or proposed to be taken in response to this resolution and each recommendation herein.

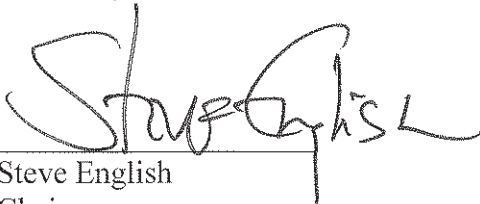
ADOPTED on April 18, 2012 by the following vote:

AYES: 7

ABSTAIN: 0

NAYS: 0

ABSENT: 6


Steve English
Chair


John Naimo
Vice Chair