

Ohio School Facilities Commission
June 28, 2007
William McKinley Room 1:30 PM

MINUTES

Meeting was called to order at 1:30 PM.

1. Roll Call

Members present: Chair Pari Sabety, Vice Chair Hugh Quill, Dr. Steve Puckett, Jack Irvin for Senator Larry Mumper, Senator Tom Roberts, Carrie Yost for Representative Clyde Evans and Representative Matt Szollosi.

2. Executive Director's Report

Director Shoemaker saluted Chair Sabety and Vice Chair Quill in all their efforts in the last few weeks regarding the data theft and thanked them for their work on the budget bill that includes Tobacco Securitization.

Director Shoemaker brought the Commission up-to-date on items that have happened since the last Commission meeting. We continue working on Regulatory Reform with Scott North. We are getting close to the end of that process and hope to have it finished within the next month.

Director Shoemaker will be speaking on the new direction the Commission will be taking and interaction with school districts at the Buckeye Association of School Administrators on July 29th.

Twelve staff members will be attending a LEED Conference in Cincinnati on July 29th on how to develop LEED certified buildings. Two consultants have been working on a LEED/Ohio School Design Manual comparison report that will be reported to the General Assembly by October 1st.

We have had meetings with the historic preservation society through the major urban areas. We have asked them to share with us not only the fact that we would like to do this, but also how to do it. We will be receiving input and feedback in the next 30 days.

OSFC will be participating in Frances Strickland's Healthy Ohio Conference on July 31st.

We have instituted bi-weekly meetings to help through the transitioning of OSFC's 14 employees who are new members of the OCSEA.

OSFC will hold a Pre-Proposal Conference for CM Selection. We advertised two weeks ago a Request for Proposal that is in the Commission materials. This will be an informational meeting for interested parties where questions about the

requirements of this announcement and the required services will be addressed. Deadline for proposals is July 20th.

An item that has come to OSFC's attention is theft and vandalism on school facilities projects. We will be meeting with the Buckeye Sheriff's Association and the Fraternal Order of Police to see how to better handle this.

Our projects at Portsmouth, Ohio have received an award from School Planning and Management magazine. We will have pictures at a later meeting that will show how they incorporated parts of the old building façade into the new building. They were very creative in what they have done.

In Dayton we are transitioning from Segment 2 to Segment 3 with a change in the Construction Manager structure. This change has nothing to do with performance. The transition is being worked out so there will be no gaps in services.

Galion, Kalida, Hubbard, Southwest Licking and Logan Elm School Districts have visited OSFC in the past month. Director Shoemaker made a site visit to Jackson Center in Shelby County who raised a major concern regarding the property tax loss and how it affects them in terms of their participation with OSFC.

We have been working on quality processes with our consultants, construction managers, architects and engineers. One of the things we have done is to make sure that communications are a two-way street. Not only are we suggesting to them how they do things better, but also how we can do things better. A quality process handout from one of our construction managers was shared with the Commission members. We have received feedback from the Nurses Association and the Librarians in Ohio with suggestions of things that should be incorporated in our designs.

We are looking into collaborating with Lake High School in Stark County. They have volunteered to come down and share with us their ideas on their collaborative effort in getting the YMCA, the health care facility and the library in the building and how they utilized that space to their best advantage.

We have looked at some training opportunities in terms of masonry, roofing and concrete work. Our Quality Assurance staff team has been working on this to present to construction trade organizations for possible sponsorship.

Last month Chair Sabety asked what Zanesville had done to dispose of four buildings. The nearest information based on what was said when the buildings were originally sold was that one was sold to a parochial school, one is considering condo development and maybe an arts colony and office space; one was sold for senior citizens housing and one for day care. These were all sold to private individuals.

From the suggestion of Vice Chair Quill at the last Commission meeting, we have scheduled a meeting with OGRIP in terms of better utilization of state services. Vice Chair Quill also suggested we use the DAS Procurement website to broaden our pool of vendors and we are now linked to that website.

Director Shoemaker reported that a settlement agreement has been reached at Frontier Local School District regarding their roof issue.

The Deaf/Blind Project is an ongoing project that continues to challenge us. Director Shoemaker, Architects and Construction Managers from the OSFC Deaf/Blind Project visited the Virginia Blind/Deaf School in Staunton, VA. They spent time with the Virginia Superintendent and staff discussing their proposal. It was built in 1839. They are in the process of closing a small facility in Hampton and Staunton will be the site for the new building. A slide show of their campus was provided showing the challenges they have with their site. They have been planning their site for three years. It is designed for 200 students, with approximately 40 blind and 120 deaf currently, which is different than our proposal, which is designed for a 50/50 balance.

In the future, we will be bringing to you a new energy conservation policy that will allow schools to make a significant impact in terms of their energy construction for their building without additional cost to us and with no upfront cost to them. This will be financed from the HB264 concept in terms of installment purchases.

3. Information Technology Presentation – Presented by Bill Taylor

Bill Taylor, Chief of Information Technology, described what IT does, how they do it, who they do it with and what's on their plate moving forward. Bill introduced his staff:

Stephanie Besecker, Systems Administrator. Hired in 2001. Stephanie started out helping with PC's and the network. She is now a Network Admin 2 working on the network, procurement, backup and support.

Eric Mitchell, Database Analyst/Network Administrator. Hired in 2001. Our Jack-of-all-trades, Eric was presented with the OSFC Anthony Tripodi Award in 2005 for his great work. Eric is responsible for the databases and network design.

RJ Osborne, Programmer/Analyst, hired in 2003. We hired RJ away from Resource International when we, too, were concerned about contracting for all our software development.

Diannndria Mendenhall, Computer Support Analyst. Hired in 2005. Diannndria handles front-line desktop support, laptop support (1/4 of our staff is mobile), consultant support and helps with training.

The application development projects we are performing are contained in our OSFC IT Plan on OIT's IT Planning website. IT is following the plan that was put together for 2008-2009. There are five areas in that plan: Construction Managers Website updates; Funds Management Upgrades – Funds Management; Oasis Phases I – IV – Ohio Agile School (Facilities) Information System; Document Storage and Data Warehouse & Business Intelligence.

OSFC computer applications support our 60 staff members, the almost 50 CM teams that we've worked with, hundreds of architect teams, Regional Program Consultants, Maintenance Plan Advisors, Enhance Environmental consultants, enrollment

projection consultants and school district employees. We currently have 338 active users in our newer tools, 507 on the CM Website. That's almost 850 accounts that we manage.

First there was Construction Manager Website (CMW). A website for CM's to communicate with all project participants. It evolved into an Assessment tool, Master Planning, Facilities Maintenance Reporting and Variance Requests. CMW was written in Perl. Simultaneously we built internal applications, primarily in MS Access to handle the daily flow of information. In 2005 we delivered Funds Management (FM) payment processes to our two biggest payees the CM's and School Districts. The Funds Management tools are written in Java. In 2005 we started the planning for Oasis. It started us down the path to a true Enterprise Architecture, agile development model that allowed us to fill gaps in our data collection and reporting.

At last month's Commission meeting, the Resource contract was approved. Part of the contract reads the Consultant will provide Information Technology and general programming services for the creation of new Internet based systems and to maintain existing systems. Resource is an Edge vendor. They were selected through a competitive Request for Proposal process along with two other vendors in 2005. Three firms were selected: Resource, Sophisticated Systems and HTC.

Bill updated the Commission members on the Resource Contract. He described what each of the Resource staff does.

Nathan Morse, Application Development Manager - Leads the upgrade process on CMW, and programs in Perl and Java. He provides our Level 3 Support and works closely with the planning and maintenance staff at the OSFC to deliver solutions.

Jerry Shi, Application Development Manager - Leads the Oasis project as project manager, business requirements, QA testing. Jerry provides QA testing for all our development deliveries.

Gunner Lehr, Software Engineer - Perl and Java programmer. He works very closely with Nathan on CMW code updates, while also working with Bernard, RJ and Nathan on Java code for Oasis. Gunner created many of the individual modules of the CMW suite as well as the new Oasis tools.

Bernard Schubach, Software Engineer – DBA. He is an Oracle Database Administrator and Perl/Java programmer. He helped us implement Oracle and continues to be an Oracle resource, working with Eric Mitchell. Bernie's main duties today are Java programming for Oasis. Bernie and I are our primary Level 2 support.

Vice Chair Quill asked if these were all full time assets. Bill Taylor responded that they are 1800 hours for each individual. Chair Sabety asked if this was 1800 hours per year. Bill Taylor responded that it was per year and pretty close to full time.

Bill Taylor provided an example of the type of upgrade Resource is involved with. Career Technical Program of Requirement (POR) was created in 2001 when we began

working with the Joint Vocational Schools (JVS). This system is used at comprehensive high schools and JVS's. The major difference between this concept and what had come before was that a POR comes before the Master Facility Plan. It was designed for one primary administrator. This year significant changes were needed and multiple administrators were needed. Decoupling of assessor data from POR data also needed done. The preference is to stay within Enterprise Architecture and the solution is to use the latest Object Oriented Perl. It really couldn't be done in Java, but we settled on an upgrade to Perl that follows the methodologies described in our Enterprise Architecture. This is expected to be a 6-8 week effort. The next upgrade along these lines is to the Facilities Maintenance Report. The Oasis effort brings together the best "Lessons Learned". It also is doing something by bringing all the data sources together so employees and consultants can enter data in one place and retrieve program-wide simply. Mihail Chirita works for us under a State Term Schedule contract with Sophisticated Systems, Inc. and is the force behind our Enterprise Architecture and the Oasis effort. Oasis is comprised of 4 phases, approximately 15 separate computer applications. We've delivered several applications already including ENP applications, Ballot tracking, Master Facility Plan export, School District Information Center, ODE data upload and Contract Tracking. We're currently working on Project Status, which will replace a spreadsheet solution of the same name. A project we've titled Project Synchronization is underway, it completes the bridge between all our applications. Oasis is being built with a modified agile methodology. Agile can be difficult to implement in its purest form, but the one key that we've been able to maintain is willingness to accept changes and criticisms.

Enterprise Architecture is the backbone of what we do. It makes sure that we maintain consistency. It assures that there can be a meaningful knowledge transfer of what we're currently doing to future employees and consultants.

Chair Sabety asked if the \$660,000 for Resource International was just not for the Construction Manager Website application, but for Oasis and all of its improvements. Bill Taylor responded that was correct. Chair Sabety asked if the contract we have is with four almost full-time contractors doing the lion share of the Enterprise applications and all upgrades. Bill Taylor responded that was correct. Chair Sabety commented the point of our question at the last Commission meeting was whether the appropriate amount is being outsourced or whether we would be better served using personnel state employees within the School Facilities Commission. Noting that this is not negative towards the contractor and knowing you are highly satisfied with them or you would not be using them at this substantial level of effort. What is being questioned is the role of the consultant, is the role quasi permanent or is it to be there in an exceptional capacity to build out a new part of the info structure and to train side-by-side with the ongoing IT info structure within OSFC so that once that exceptional job is completed, then OSFC has the right resources to continue. Bill Taylor replied that we want to consider and embrace. Vice Chair Quill asked if there was another contract with Sophisticated Systems. Bill Taylor replied that Sophisticated Systems supplies one person to this project. Chair Sabety asked if this is a staff augmentation role and would you classify all of these people in a staff augmentation role with RJ Osborne managing the project or are they actually providing the technical design specifications and actually developing the info structure plan. Bill Taylor responded that it was both.

There are two parts of the IT Plan that are not part of the Resource contract. They are document management and data warehouse. For the document management project we've already engaged with SAO and DAS on their new CIMS software project. On the Data Warehouse project we've engaged with OBM about utilizing their implementation of COGNOS and associated data warehouse as a common solution.

In moving forward there are options and considerations that we need to look at.

Options:

Transition more quickly to in-house

Contract with other state agencies

Continue to contract for IT programming services

Considerations:

Budget

Space

Availability

Started with OBM, DAS, OIT

Capacity

Consistent with their mission

Cost

Benefit

Vice Chair Quill shared concern with the cost association with quasi-permanent contractors versus the cost of a state employee and building that internal asset. It is fundamental of knowledge transfer that we are interested in seeing and organizationally making sure that the unique knowledge that contractors can bring to a state enterprise and to a function of process. We have to make sure that transfers to a state asset because in the long run it is a little more economical and we build our internal strengths in the state of Ohio. We don't end up over relying on state contractors for the day-to-day functions in state government. Vice Chair Quill is very concerned looking five, six and seven years out that we are going to be losing a lot of our talent in state employment, the demographic is catching up with us and we have to be prepared by investing and making sure that the information and the resources that we are paying for on a private basis currently are transferred. It is a reasonable expectation when you are paying a premium for these services, that this information is transferred to a state asset and we have a plan for that. Director Shoemaker commented that from an administrative perspective we are trying to figure out exactly how that is done in terms of the increased volume we are going to have in the next two to three years and then declining volume after that. We would welcome any help you can give because that is where we continue to wrestle with not just the number on paper currently, but the idea of what do you do when you need six now and two years from now we need two. Vice Chair Quill committed that DAS would find a place for good quality people that we have trained. Chair Sabety responded that OSFC would be facing a volume increase as a result of the increased funding that comes from the Tobacco Securitization. You will need to have applications that can accommodate not just enhanced functionalities, as you described here, but also the ability to process more volume. The reality is once the application can accept more volume; you don't have to add more people that is why we have machines. The issue is not necessarily whether you need to hire six people to deal with the next two years and then fire four of them. That is not the issue. The issue is do we need to hire two people whom you believe for the next 15 years you are going to need. I look at this contract and I look at what these people are doing and it is fundamental enough building blocks of an IT info structure that I look at them and ask if they will be needed two years from now. Probably you will need the same capacity.

You will just be enhancing the tools. That is the issue – the appropriate use of staff augmentation when you require it and the appropriate use of or building of the skills internally that you know you are going to need over the long term. When you do the raw multiplication, as Representative Szollosi and Senator Roberts and the rest of the legislature does when these come before the Controlling Board, the raw math is we are paying a premium, about twice what we would pay a well compensated state employee who has these qualifications to do much of this, not all of it. Some of these skills are so specialized that we should hire consultants. We should not hire them in. For some of this it is appropriate, as conservative fiscal managers for us to look at this and say you know maybe we ought to be looking at building the capacity internally because when we build it internally – you said these guys were assigned 1800 hours a year. Well, that leaves about 280 hours. If there is a better job down the way, a contractor can say I am taking these three best people and I am moving them to another job and where does that leave OSFC. That is an important question for us to continue to revolve in our minds. Senator Roberts commented that when he served on the Controlling Board that was the kind of question that I asked. I am glad to see this administration embraces IT departments and makes it more comprehensive. Senator Roberts asked who has access to this data information. Bill Taylor responded that school districts have access, they use our drawdown tool to request their funds on a quarterly basis. Representative Szollosi asked what the term of the contract for Resource was. Bill Taylor responded one year. Representative Szollosi asked if there was an RFP process. Bill Taylor responded the RFP process took place in 2005, proposals were submitted, ranked by our staff and then there was an interview process with five short listed firms and three firms were selected. Chair Sabety asked if the RFP process was for all phases of Oasis or for simple augmentation services. Bill Taylor responded that the Oasis project was not yet contemplated when we were looking for services. We were interested in Enterprise Architecture, agile methodologies, Java programming and team programming. We did not have the plan in place for what would become Oasis. We knew the direction we were going to take and knew that we needed partners to help us get there and that was what the RFP was based on. Representative Szollosi commented that this was a very appropriate discussion to be having right now. One of the responsibilities we have is to try to draw the best and the brightest to maintain the best and brightest within the agency and within the state government. Representative Szollosi is interested in seeing a detailed cost benefit analysis of what the cost would be to bring this type of personnel in house, costs of consultants and benefits. Director Shoemaker responded that could be done. Vice Chair Quill commented that at a minimum we need to be identifying knowledge transfer benchmarks and milestones and what key skill sets need to be transferred. That is important to the overall state enterprise. When renegotiating the next contract, make that a part of the terms of the condition of the contract and possibly have a performance clause related back to the compensation. Chair Sabety responded that this contract is up for a year. OSFC is getting ready for a high volume of transactions as the Tobacco Securitization funds begin to hit in the November/December timeframe. Chair Sabety sensed that you have a year with this contract, what needs to be put in place is a plan that also looks to appropriate breakdown between those IT capabilities that you must have and should have, those critical capabilities that you must have in house or should have in house that allow routine upgrades, routine enhancements because we will always be enhancing things or else we will be in a permanent employment act for contractors. This gives OSFC the capacity needed to meet your needs and to meet an appropriate balance between in house expertise and out of house staff augmentation. You have

time to come up with a long-term plan. A part of this years contract ought to be a way in which there are functions the consultants are performing that are of a routine nature that could be transferred to others within state government as part of that migration plan. It is time to change direction. IT is not something special anymore. It is part and parcel of how we do business and we should have appropriate complement to do that in house.

3. Adoption of the May 31, 2007 Meeting Minutes

Vice Chair Quill moved to approve the May 31, 2007 meeting minutes.

Dr. Puckett seconded the motion.

Approval: Vote 3-0.

4. School Energy Conservation Financing Program Approval - Presented by Mark Wantage

Four School Districts have requested participation in the Energy Conservation Financing Program.

Ashland County-West Holmes Career Center of Ashland County:

- Comfort Control Group, Inc.
- One Building
- Total Cost \$692,389 (Including Interest @4.75%)
- Annual Savings \$69,337
- Payback Period 10.00 Years
- Lighting Upgrades (Last Remaining Fixtures)
- Boiler Replacement (Last Remaining Fixtures)
- Renovate 1-Pipe Hot Water System to 2-Pipe
- New Infrared Shop Heaters
- New Domestic Hot Water Boilers

Grandview Heights City School District of Franklin County:

- Bruner Corporation
- One Building
- Total Cost \$351,805 (Including Interest @3.5%)
- Annual Savings \$23,519
- Payback Period 14.96 Years
- Boiler Replacement
- New Fan Coils Units (Air-Conditioners) with Controls

Kings Local School District of Warren County:

- Linc Services
- Eight Buildings
- Total Cost \$3,689,640 (Including Interest @%)
- Annual Savings \$134,340
- Payback Period 11.58 Years
- Gym Lighting Retrofit (8)
- New Thermal Ice Storage System (1)
- Retrofit Thermal Ice Storage System (5)
- Boiler Replacement (3)
- Controls Systems Upgrades (8)

North Royalton City School District of Cuyahoga County:

- Comfort Control Group, Inc.
- One Building
- Total Cost \$508,940 (Self Funded)
- Annual Savings \$43,696
- Payback Period 11.6 Years
- New Boilers
- Gym Lighting Retrofit
- New Roof Top Unit (RTU) Air-Conditioner
- New Variable Air Volume (VAV) units with hot water reheat
- Heating, Ventilating & Air-Conditioning (HVAC) Controls

Staff has reviewed the five School District applications and the engineering review of each provided by the Ohio Department of Development/Office of Energy Efficiency and recommends the Commission's approval of Resolution 07-67.

Representative Szollosi asked how often is the request for exemption for competitive bid process utilized. Mark Wantage responded that approximately two thirds of the projects waive competitive bids. Director Shoemaker commented that the initial legislation that created that it has to be a unanimous vote of the board to waive competitive bidding, otherwise it has to be bid.

Vice Chair Quill moved to approve Resolution 07-67

Dr. Puckett seconded the motion.

Approval: Vote 3-0.

5. Master Facilities Plan Amendment Approval - Presented by Steve Lutz

There is one master facility plan amendment for the Scioto County Joint Vocational School District for their participation in the VFAP program. This amendment will increase the project budget by \$3,714,086. During the design of the project additional ACM was discovered. The removal and replacement of interior doors and window requires an additional \$1.5 million. The renovation budget for the replacement of the rooftop HVAC units proved to be insufficient and requires an additional \$1.2 million. The renovation work must be phased to permit the continued occupancy and use during the school year of spaces serving the licensed CT programs. The cost of phasing the renovation work is estimated to be \$600,000. Market conditions at the time of bid are estimated to contribute \$700,000 to the cost increase. The state share of the budget adjustment is \$2,785,565. The local share of the budget adjustment is \$928,521. Staff has worked with the district in managing the needed changes to the project and recommends approval of Resolution 07-68.

Dr. Puckett asked if the phasing process is moving to another building. Steve Lutz responded that phasing is vacating an area while the rest of the building is being renovated. Chair Sabety asked why this would add 12 to 18 months. In a normal renovation project, usually turn over the entire building to the contractors for renovation. Joint Vocational Schools do not have comparable facilities to move the students into, so they are renovated while they are occupied. Crystal Canan commented that the Joint Vocational Program is a single facility and do not have other facilities to move the students to. They also typically do not have a summer break because many of the programs are in continuous operation. One of the

variables that we found both in the construction manager contract negotiations, as well as in project extension issues is on our Joint Vocational Program is that factor affords less renovation opportunities, staging and swing as we move through the building. So the durations of our Joint Vocational schedules have been extraordinary in relation to our other classroom facilities projects because of that continuous program issue that we see in our Joint Vocational schools. Typical classroom facilities projects, the school district has a summer break, but also usually has more than one facility where they can swing students. Chair Sabety asked what the difference of \$1.2 M was for. Steve Lutz replied that was attributable to additional money needed for replacement of the rooftop heating and ventilating units. Those were under budgeted in the original assessment. Chair Sabety asked what the time frame was from the design phase until now. Steve Lutz responded that typically it takes about one year from design phase to bidding. We just bid recently, but the actual budgeting of the project precedes the design by a year. Dr. Puckett asked for a better definition of the cost of phasing. Director Shoemaker replied that we can give you information on a typical phased school district and a joint vocational school district. Chair Sabety expressed concern in the cost. If the issue is asbestos removal and we are doing every thing we can to keep the facility open while we are moving asbestos, that is one reason it is extraordinarily expensive and I wonder why we are not shutting it down for three months while removing the asbestos so that the only people exposed are the workers that are correctly attired understanding that joint vocational school districts are supposed to be open and there are no other facilities, but I am not comfortable with the choices presented. Steve Lutz replied that there were materials not identified in the original assessment that were later identified by the design team. Director Shoemaker commented that it is not the phasing of the asbestos issue. The asbestos issue is that we did not know it was there on the original assessment. Representative Szollosi asked if the asbestos was throughout the building or somewhat isolated within the parameters of the building. Steve Lutz replied that the bulk of the additional materials that needed to be removed are contained in the interior doors and glazing in the dividing wall between the corridors and classrooms. Representative Szollosi asked when the report is put together that Dr. Puckett requested, that you itemize the \$700,000 that is attributed to the changing market conditions. Steve Lutz replied that as we use the term market conditions we are referring to the amount that differs between what our construction managers estimates the cost versus the actual bids, Representative Szollosi asked that due to market conditions increasing that includes shifts in material costs, as well as, the difference between the estimate of cost set forth in the pre-planning and budgetary process as opposed to what the actual costs are on bid day. Steve Lutz suggested getting the Construction Managers breakdown and sharing that with the Commission members at a future meeting. Chair Sabety would like to understand how the decision was made to keep the facility open versus closing the facility for a short period of time.

Dr. Puckett moved to approve Resolution 07-68

Vice Chair Quill seconded the motion.

Approval: Vote 3-0.

6. Ohio School Design Manual Update Approval - Presented by Franklin Brown

This is a process that culminates each year at this time. The process formally began in November. We met with vendors and suppliers four times to show us their most current products and the decision was then made what to include in the design manual.

This year there were 171 suggested changes and they are broken down into the following categories: HVAC – 25%; System Materials – 15%; Planning – 8%; Plumbing – 5%; Electrical – 5%; Structural 2%; Cost – 2%; Site – 1% and Technology – 37%. One of the elements used to determine project costs is the square feet per student. It is in essence the size of the building. This is compared to a national ongoing average. Another element outside of enrollment is dollars per square foot, which determines what our project budgets are. It is the element that is subject of all the fluctuation. Between the Year 2004 and 2005 was the steepest which reflects the time when steel went up and that has flattened out somewhat this year. The annual inflation factor of 4.59% that is applied to all costs this year was developed through consultation with Global Insight. Jarod's Law, HB203, administered by the Health Department. Previously the Health Department would inspect twice a year and now it is a very comprehensive inspection done once a year based on their manual. Mark Wantage and Franklin Brown worked with the health department to coordinate with the design manual. A number of things had to change as a result of that. They require now that an eyewash station in the high school art rooms, we are required to put a safety yellow painted edge on the stage to keep children from not knowing where the edge is, we are required to place signs on every school building that we work on designating that it is a smoke free area, we have limited the height of stacking chairs to 60 inches so they do not become top heavy, we have required that there be no dumpsters within 25 feet of a building because often they were placed in a part of the building that has the outside air intake for the building and we have changed some of the grading to slope away from the building to keep water from migrating into the building.

Chair Sabety asked what role the wage rate plays in inflation. Eric Bode replied that the figure we use for determining the cost, a big input is wage and materials are a part of that as well. Overall if you look at figures and why they change from year to year certainly wage is a big component. For this specific one we are doing this year, we did not take into any special change in the law or commission policy. Chair Sabety only wanted to know what proportion of that inflation rate of 4.59% is attributable to labor versus materials. Senator Roberts asked how often this Commission reviews. Director Shoemaker replied this is an ongoing process, traditionally we come before the Commission once a year for approval. In the future, we will be doing it on a more periodic basis. Senator Roberts commented that over the years this has been the center of concern of the legislative members. Senator Roberts is interested in getting feedback of field survey to have some dialogue in advance of the commission vote.

Franklin Brown reported that another issue that OSFC faced this year was the new emphasis on science and math as part of the core curriculum changes. In essence we looked at that as a whole and we are not really creating more spaces within the building. We still have the same number of children. They are just in different parts of the curriculum. We did not add any additional space to the building, what we did add was flexibility. Since mathematics is typically taught in a standard 900 foot classroom, that remained the same, but science which is taught typically in a 1,200 square foot classroom that can accommodate a laboratory setting with sinks and those elements as well as a seated classroom part of the room. A new space plate for 1,000 square feet science laboratory was added to provide for planning flexibility. There are a number of sustainable issues that were addressed this year: fluorescent lighting for gyms, energy efficiency required to exceed ASHRAE 90.1 2004 by 14%, modeling required,

specification added for pervious concrete paving and added digital electronic dimming ballast for classroom lighting. The staff recommends approval of Resolution 07-69.

Chair Sabety asked if there are other changes that you will come out with in a more frequent basis. In deference to Senator Roberts' concerns, is there a way in which we can modify the process in some way to be able to make it a bit more flexible for changes along the way or is that something that will create far more complications. Franklin Brown replied that there is a lot of flexibility in our processes. We have a variance process where if somebody wants to do something that is not included in the design manual, they can apply for a variance on our variance web tool. We meet weekly to consider those variances so there are a lot of options for things to change. We have already started a spreadsheet for the changes for next year and it is an ongoing document. It is available to the AIA, the Engineers Society and to anybody that would like to see it on an ongoing basis so that they can know how these changes are progressing. Senator Roberts reiterated that he would like some lead-time to raise issues to have input. Franklin Brown replied that if Senator Roberts receives any concerns and you voice those to any Commission staff, they should be conveyed to him and he will enter them on the list and that list is available where anyone can see how the decision is made and what the process is. Director Shoemaker proposed that we would give you a schedule of his regular committee meetings and perhaps some lead time in terms of the items for discussion and you could attend any you would like. Representative Szollosi asked when the LEED consultants report would be available. Franklin Brown replied that we will be receiving the report next week and a report will be provided to the General Assembly by October 1st. It is the science behind the report that the Commission staff will prepare. Representative Szollosi asked what the report would show. Franklin Brown replied that it would have recommendations and it has what OSFC can do to make our schools more sustainable and better buildings for the future. Representative Szollosi asked if it was safe to say we will be doing a design manual update earlier than a year from now. Franklin Brown replied that is a decision that will have to be made after the General Assembly reviews our report to them and provides us with some direction. Chair Sabety asked if that report would come to the Commission first before it goes to the General Assembly. Director Shoemaker replied that the initial report would come to the Commission as a starting point to report to the General Assembly. We need to continually emphasize that we are open daily changes through the variance process. Chair Sabety asked if the variance decisions made available to community as a whole. Franklin Brown replied that the variance decisions are available on the OSFC website. Chair Sabety suggested that it is important to the General Assembly, the Strickland Administration that we were very clear that we needed to think clearly about energy issues in particular and mindful of the fact that we are going to be embarking on a construction program that will roughly double the number of school districts we are going out to in the next three years. Chair Sabety suggested that we send this out with a cover letter that makes it clear that there will be changes to this design manual based upon the outcome of the LEEDS study and our focus on energy. The reality is that we are going to put \$4.1 billion in construction funding into these schools in three years. Our choice is we can either put it in mindful of building in an energy industry in this state or we can just put it in the same way we have always done it. Chair Sabety suggested adopt a timetable with the consultant and report to the Commission on the results of their work. We look sometime in early September or October to have a design manual update based upon their work focused on the results they come back to us with. In view of the fact that we will be going out, I

believe there is a resolution ahead of us elsewhere in this meeting to look at an invitation for school districts that is expanded significantly because of the anticipated tobacco settlement. I think it is extraordinarily important that we take advantage of this opportunity and not allow routine following of the process to get in the way of what we really need to be doing intentionally through this.

Chair Sabety moved to approve Resolution 07-69

Dr. Puckett seconded the motion.

Approval: Vote 3-0.

7. Tobacco Securitization Funding Offers Approval - Presented by Eric Bode

We have \$4.1 billion to spend in a three-year period. Which is a good predicament to be in, but it is also one that drives a lot difficult and unusual situations for us in that we have a lot of money to spend fast and then slow down in our spending and because of that we have a lot of timing considerations that are different than we have had in the past years in working with school districts. It involves a lot more school districts than we usually have. This has created some confusion in some of our communication with various people. So part of this would be to try and explain a little bit about where we stand with school districts and make it clear in every ones mind the groups of where we are and why we need this resolution. Eric explained the planning process for the past year in getting school districts ready for the July 2007 process. We made new funding offers to 44 new school districts and we expect 36 school districts will be on the Commission agenda for August. Some districts chose to defer funding. We also have school districts that deferred one or two years ago and are now ready to get their funding. At the end of this calendar year we expect to have funding available. We have a timeframe to spend all that money within three years. The design and construction schedule for the school districts you are approving, the real money is spent during the construction. There is a next group of 57 school districts that we have now started working with, met with and trying to get them started in the planning process in an earlier pace than we normally would. Already leading up to getting future Commission approval. That list of 57 is equity ranked from 244 to 305, which takes us through the first half, all the way through the 50th percentile in the equity list. All those districts that we want to work with now and continue working, as well as, the next 5 school districts on the vocational facilities equity list. When we met with these school districts and informed them of a faster schedule, but also shared that it was a big if. Not sure if we will be able to offer them funding, we were not sure at that time if the Tobacco Securitization was happening. We left them with this confusing message that we might want to fast track you, but we might have to put the brakes on the whole thing. Today with the budget bill where it is and with this resolution, we can give the green light to those school districts as well. We asked whether they wanted to go on a normal schedule, a fast track schedule or do you want to go on a slow paced schedule. The third group is our normal process that normally in these school districts if we did not have securitization, we would be getting a group ready for next July with a yearlong planning process. The design construction schedule that follows the normal process extends beyond the Tobacco Securitization period. So in a sense it solves a problem by spending money, but also does not spend it fast enough. What we have really done is try and accelerate and get as many school districts as we can in this hurry up schedule and are aiming for the November Commission meeting. Normally we would wait till next July. If we meet this schedule with some of the school districts we would be able to have them spend money within the three-year period. A significant thing that

presents somewhat of a dilemma for us in our normal process is that we always wait for the new equity list to come out which takes place September 1st by the Department of Education. There is always movement up and down on that list. It was a big question mark we had in working with this next group of 57 school districts. If we wait to offer them funding later, there is a possibility the school district could go off the list and school districts might move ahead. The solution would be to offer funding now. We have the Tobacco Securitization money, so why wait till next spring when we normally do this. We will offer school districts the opportunity now and use the current equity list moving up to 305 on that list. Chair Sabety confirmed that we would be offering funding based on the current equity list in November and we will have another offer next July base on September's updated equity list. Eric Bode replied that we have this offer to all these school districts and some of them will not choose to go in November. The offer still stands and we will not rescind that offer, so if a school district says they want to lock in, but they are not ready yet and say the move up the equity list from 305 to 340. We would not kick them out. We would still continue working with them and get them ready because we offer them funding at this time. At the same time we will keep moving up the list and keep working with additional school districts. We would not freeze anyone out. Chair Sabety asked in the November offer, you offered 57 school districts and assume 24 school districts might accept. In the July offer, is this the same pool of 57 school districts or is this additional school districts of which some have delayed and add in some others. Eric Bode replied that it is the same 57 group of school districts that would be effected by this resolution. We are offering them funding, 24 have indicated they want to be on the fast track to get ready by November and 22 have indicated they want to be on the normal one-year cycle. We anticipate adding some school districts to that beyond this offer of 57. The Exceptional Needs Program will add some school districts to be ready for next July and it is also possible that we will be adding some other CFAP and VFAP projects. The offer that we are making to the 57 school districts will not be put on a specific timeline. This lock in does not affect the state and local share calculations as those have a different timeframe. This does freeze the priority order. We recommend Commission approval of Resolution 07-70.

Vice Chair Quill moved to approve Resolution 07-70

Dr. Puckett seconded the motion.

Approval: Vote 3-0.

8. Architectural Agreements and Amendments Approval - Presented by Craig Weise

The following architect agreements and amendments were presented for approval.

Agreements:

School District	Project	Architect	Amount
Cincinnati CSD- Seg. 3	Dater Montessori School and Clark Montessori High School Renovation Projects	Glaserworks	\$1,212,420.00
Cincinnati CSD- Seg. 3	New Woodford, new AMIS and Silverton Elementary School	GBBN Architects	\$1,920,842.00
Cincinnati CSD- Seg. 3	Sayler Park, Oylar and Westwood Elementary School Renovations	Roth Partnership Inc.	\$1,849,141.00
Cincinnati CSD- Seg. 3	Hartwell, College Hill and Mt. Washington Elementary Schools Renovations	Moody Nolan, Inc.	\$1,793,036.00
Cincinnati CSD- Seg. 3	Western Hills/Dater High School Renovation	SFA Architects, Inc.	\$2,087,773.00
Cincinnati CSD- Seg. 3	New Chase, New North Avondale and New Schwab Elementary School	Cole + Russell Architects, Inc.	\$2,137,059.00

Cincinnati CSD- Seg. 3	New Hoffman/Parham and New Taft Elementary School	DH Architects, Inc.	\$1,238,331.00
Cincinnati CSD- Seg. 3	New Aiken and New Robert A. Taft High School	Voorhis, Slone, Welsh, Crossland Architects, Inc.	\$2,199,478.00
Cincinnati CSD- Seg. 3	Walnut Hills High School	Steed Hammond Paul, Inc.	\$2,460,516.00

WHEREAS, the Agreement for Professional Design Services provides for adjustment in the compensation of the Architect in certain circumstances involving design work in excess of that which was originally negotiated for the school districts listed below.

Amendments:

School District	Project	Architect	Fees to Date	Amount	Total
Columbus CSD - Segment 1	Ohio Avenue Elementary School change in professional design services for the replacement of the existing deteriorated membrane and shingle roofs	Ricciuti Balog Harris	\$494,227.00	\$12,320.00	\$506,547.00
Columbus CSD- Segment 2	Oakland Park Elementary School change in professional design services due to the revision of the kitchen design and preparation of an architectural rendering	Phillip Markwood Architects, Inc.	\$477,001.71	\$3,720.00	\$480,721.71
Columbus CSD- Segment 2	Leawood Elementary School change in professional design services due to accepted changes to the sidewalks as requested by the city of Columbus, revision of the kitchen design, preparation of an architectural rendering and site re-design	Phillip Markwood Architects, Inc.	\$455,648.72	\$7,295.00	\$462,943.72

WHEREAS, the school districts boards listed below have elected to add a "Locally Funded Initiative" to the scope of their Project.

Locally Funded Initiatives:

School District	Project	Architect	Amount
Buckeye Central LSD	Visual arts spaces, music spaces, physical education spaces, technology education spaces and building services	Buehrer Group Architecture & Engineering, Inc.	\$211,000.00
Cincinnati CSD- Seg. 3	Dater Montessori PK-6 excess SF and material upgrades and Clark Montessori 7-12 High School auditorium, excess SF and material upgrades	Glaserworks	\$450,369.00
Cincinnati CSD- Seg. 3	Silverton PK-8 additional 3,800 SF and material upgrades, Woodford PK-8 additional 2,820 SF and material upgrades and AMIS PK-8 additional 3,800 SF and material upgrades	GBBN Architects	\$176,490.00
Cincinnati CSD- Seg. 3	Sayler Park PK-8 3,800 additional SF and material upgrades, Oyler PK-9 excess SF, auditorium, and material upgrades, Westwood PK-8 Elementary auditorium and material upgrades	Roth Partnership Inc.	\$374,021.00
Cincinnati CSD- Seg. 3	Mt. Washington PK-8 excess SF and material upgrades, Hartwell PK-8 3,80 additional SF and material upgrades and College Hill PK-8 auditorium, 1,599 additional SF and material upgrades	Moody Nolan, Inc.	\$165,070.00
Cincinnati CSD- Seg. 3	Western Hills/Dater 7-12 High School auditorium, natatorium and material upgrades	SFA Architects, Inc.	\$375,844.00
Cincinnati CSD- Seg. 3	Schwab PK-8 1,599 additional SF and material upgrades, North Avondale PK-9 10,434 additional SF and material upgrades and Chase PK-8 2,820 additional SF and material upgrades	Cole + Russell Architects	\$230,165.00
Cincinnati CSD- Seg. 3	Taft PK-8 3,800 additional SF and material upgrades and Hoffman PK-8 3,800 additional SF and material upgrades	DH Architects, Inc.	\$125,571.00

Cincinnati CSD- Seg. 3	Taft 9-12 High School material upgrades and Aiken 9-12 High School material upgrades	Voorhis, Slone, Welsh, Crossland Architects, Inc.	\$39,141.00
Cincinnati CSD- Seg. 3	Walnut Hills 7-12 auditorium, natatorium and material upgrades	Steed Hammond Paul, Inc.	\$151,499.00

The Commission staff has reviewed and recommends approval of Resolution 07-71.

Dr. Puckett moved to approve Resolution 07-71

Vice Chair Quill seconded the motion.

Approval: Vote 3-0.

9. Construction Manager Amendments Approval - Presented by Craig Weise

The following Construction Manager amendment was presented for approval. This is for a deduct with their existing contract. Within Lorain City School District, like many of our large urban districts, have experienced significant enrollment decline. In the process of trying to match our master plan what we build to their moment takes a significant amount of time and volume and public support. So instead of keeping a construction manager team waiting this decision out, the decision was made to terminate their contract for convenience and once we are ready to build more buildings, we will select another construction manager. This is a reduction of scope for those remaining 7 or 8 buildings to finish the project.

School District	Construction Management Company	Amount
Lorain City School District	URS/Turner	(\$3,474,534)

The Commission staff has reviewed and recommends the approval of Resolution 07-72.

Dr. Puckett moved to approve Resolution 07-72

Vice Chair Quill seconded the motion.

Approval: Vote 3-0.

This amendment is for additional scope to add Arlington Elementary School for abatement and renovation, which was not in the original plan.

School District	Construction Management Company	Amount
Newton Falls EVSD	URS Construction	\$74,628

The Commission staff has reviewed and recommends the approval of Resolution 07-73.

Vice Chair Quill moved to approve Resolution 07-73

Dr. Puckett seconded the motion.

Approval: Vote 3-0.

This amendment is for a 100 % locally funded initiative. This is for managing additional LFI scope, which includes 11,282 square feet of additional classroom space, as well as, excess square foot renovation in their existing facility.

School District	Construction Management Company	Amount
Fort Loramie LSD	Touchstone CPM	\$141,396

The Commission staff has reviewed and recommends the approval of Resolution 07-74.

Dr. Puckett moved to approve Resolution 07-74

Vice Chair Quill seconded the motion.

Approval: Vote 3-0.

10. Trade Construction Contracts Approval - Presented by Craig Weise

All contracts represent the lowest responsible bidder. All are the lowest responsible bidder except for three in which the low bidder withdrew their bid due to mathematical errors. They are: Dayton City School District – Budget Blinds; Plymouth Local School District – Metzger-Gleisinger Mechanical, Inc. and Stryker Local School District – Stark’s Inc. The Commission staff has reviewed and recommends the approval of Resolution 07-75.

<u>School District</u>	<u>Contracting Entity</u>	<u>Scope Of Work</u>	<u>\$ Amount</u>
Akron CSD	Moser Construction Company	Masonry	\$1,468,270.00
Akron CSD	The K Company, Inc.	Plumbing/Mechanical	\$12,800.00
Akron CSD	Novatny Electric Company	Electrical/Fire	\$800,000.00
Akron CSD	Great Lakes Crushing Ltd	Site Work	\$588,105.00
Akron CSD	Jeffrey Carr Construction Company, Inc.	General Trades	\$2,434,600.00
Akron CSD	Continental Educational Environments	Classroom Furniture	\$311,446.08
Akron CSD	The K Company, Inc.	Plumbing, Mechanical/HVAC, Sprinkler	\$1,895,000.00
Akron CSD	ClarkTel Communications Corp	Telephone System	\$41,274.69
Akron CSD	Speelman Electric, Inc.	Structured Cabling Data Hardware	\$353,937.00
Akron CSD	Continental Educational Environments	Classroom/Office Furniture	\$273,821.87
Akron CSD	Continental Educational Environments	Classroom/Office Furniture	\$290,754.62
Akron CSD	Continental Educational Environments	Classroom/Office Furniture	\$235,012.22
Allen East LSD	Folding Equipment Co., LLC	Student Furnishings	\$155,625.00
Ashtabula Area CSD	The Koski Construction Company	Subsurface Drainage	\$68,000.00
Cincinnati CSD	Hilvert & Pope Electric, Inc.	Electrical/Technology	\$1,736,800.00
Cincinnati CSD	Monarch Construction Company	General Trades	\$7,458,000.00
Cincinnati CSD	Corporate Express	Office Furniture	\$143,846.24
Columbus CSD	Ohio Technical Services	Environmental Abatement	\$135,622.00
Columbus CSD	Settle Muter Electric	Electrical	\$1,649,999.00
Columbus CSD	Gutridge Plumbing	HVAC	\$1,591,000.00
Columbus CSD	S A Comunale	Fire Protection	\$189,200.00
Columbus CSD	Crawford Mechanical Services, Inc.	Plumbing	\$454,400.00
Columbus CSD	Gutknecht Construction	General Trades	\$4,728,988.00
Columbus CSD	S A Comunale	Fire Protection	\$167,400.00
Columbus CSD	Smith Roofing, Ltd	General Trades	\$674,977.00
Columbus CSD	The Zero Breese Company	General Trades	\$1,216,000.00
Columbus CSD	A H Sturgill Roofing, Inc.	General Trades	\$1,200,695.00

Columbus CSD	Fox Mechanical Co., Inc.	Plumbing	\$499,500.00
Columbus CSD	Continental Office Furniture	Loose Furnishings	\$83,752.07
Columbus CSD	Accurate Electric	Electrical	\$1,565,700.00
Columbus CSD	Tom Sexton & Associates	Loose Furnishings	\$111,000.00
Columbus CSD	Library Design Associates, Inc.	Media Center	\$16,225.00
Columbus CSD	Accurate Electric	Electrical	\$1,277,000.00
Columbus CSD	T P Mechanical	Fire Protection	\$105,600.00
Columbus CSD	General Temperature Control, Inc.	Plumbing /HVAC	\$1,475,000.00
Columbus CSD	Charter Hill Construction	General Trades	\$4,471,528.00
Columbus CSD	Tom Sexton & Associates	Furniture	\$279,498.30
Columbus CSD	D E Huddleston, Inc.	General Trades	\$5,084,350.00
Columbus CSD	Aggressive Mechanical	HVAC	\$1,767,000.00
		Fixtures, Furnishings and Equipment (Combination Physical Education and Athletic Equipment	\$60,080.62
Dayton CSD	Salem Office Products	Fixtures, Furnishings and Equipment	\$102,000.00
Dayton CSD	Farnham Equipment Company	Fixtures, Furnishings and Equipment	\$23,887.12
Dayton CSD	Continental Office	Fixtures, Furnishings and Equipment	\$44,600.00
Dayton CSD	Budget Blinds * * *	Fixtures, Furnishings and Equipment	\$49,800.00
Dayton CSD	Farnham Equipment Company	Fixtures, Furnishings and Equipment	\$1,719,000.00
Dayton CSD	G M Mechancial, Inc.	Plumbing & HVAC	\$134,497.00
Dayton CSD	Central Fire Protection, Inc.	Fire Protection	\$1,002,021.00
Dayton CSD	Saturn Electric, Inc.	Electrical	\$184,865.00
Dayton CSD	Innovative Energy Solutions	DDC System/DDC Intergration	\$6,265,600.00
Dayton CSD	Brumbaugh Construction, Inc.	General Trades	\$20,364.80
Dayton CSD	Continental Office	Fixtures, Furnishings and Equipment	\$1,338,356.80
Dayton CSD	Continental Office	Fixtures, Furnishings and Equipment	\$55,215.00
Hamilton LSD	Ohio Technical Services, Inc.	Asbestos Hazard Abatement	\$144,139.00
Hamilton LSD	Library Design Associates	Loose Furnishings	\$194,449.88
Hamilton LSD	Continental Office Environments	Loose Furnishings	\$2,795,500.00
Hamilton LSD	George J. Igel & Co., Inc.	Early Site Work - Demolition	\$271,201.12
Hillsboro CSD	Continental Office Furniture	Loose Furnishings	\$135,000.00
Minerva LSD	GCS Industrial Services, Ltd	Abatement and Ceiling Demolition	\$198,371.00
New Knoxville LSD	Central Fire Protection Company, Inc.	Fire Protection	\$3,240,000.00
New Knoxville LSD	Peterson Construction Company	General Trades	\$2,083,664.00
New Knoxville LSD	Regal Plumbing & Heating Company	Plumbing and HVAC/Controls	\$739,045.00
Plymouth-Shiloh LSD	McClintock Electric, Inc.	Electrical	\$1,555,308.00
Plymouth-Shiloh LSD	Metzger-Gleisinger Mechanical, Inc. * * *	HVAC/Plumbing	\$239,118.36
Plymouth-Shiloh LSD	Continental Office Environments Corp.	Loose Furnishings	\$4,244,800.00
Plymouth-Shiloh LSD	BCMC, Inc.	General Trades	\$96,915.00
Plymouth-Shiloh LSD	Vulcan Enterprises, Inc.	Fire Protection	\$218,870.00
Plymouth-Shiloh LSD	Commercial Appliance Contracts, Inc.	Food Service Equipment	\$52,600.00
Pymatuning Valley LSD	Valley Electrical Consolidated, Inc.	Snow and Ice Melt Equipment	\$184,490.00
Scioto County JVSD	LVI Environmental Services, Inc.	Asbestos Abatement	\$409,200.00
Scioto County JVSD	Boone Coleman Construction, Inc.	Early Site Utility	\$291,900.00
South Point LSD	Service Supply Ltd, Inc.	Bleachers & Playground Equipment	\$4,875,400.00
Stryker LSD	Baker-Shindler Contracting Co.	General Trades	\$109,410.00
Stryker LSD	Border Fire Protection, Inc.	Fire Suppression	\$368,615.00
Stryker LSD	Stark's Inc. * * *	Plumbing	\$1,050,000.00
Stryker LSD	Woolace Electric Corporation	Electrical Systems	\$1,173,444.00
Stryker LSD	Warner Mechanical Corporation	HVAC Systems	\$160,979.00
Tecumseh LSD	Saturn Electric, Inc.	Utility Relocation & Sitework- Electric	\$153,405.00
Toledo CSD	Midwest Environmental Control, Inc.	Abatement	\$77,900.00
Vinton County LSD	Valley Electrical Consolidated, Inc.	Video Distribution System	\$289,184.00
Vinton County LSD	Great Lakes Hotel Supply Company	Food Service	

Vinton County LSD	Brewer and Company of WV, Inc.	Fire Protection	\$128,300.00
Vinton County LSD	Stonecreek Interior Systems, LLC	Educational Casework	\$244,300.00
Washington Court House CSD	Beacon Electrical Contractors	Electrical	\$3,380,000.00
Washington Court House CSD	Feldkamp Enterprises, Inc.	HVAC	\$3,339,000.00
Washington Court House CSD	Ferguson Construction Company	General Trades	\$19,794,000.00
Wauseon EVSD	Schoen, Inc.	Site Improvements	\$325,250.00
Youngstown CSD	Cardinal Environmental Services, Inc.	Asbestos Hazard Abatement and Related Work	\$221,250.00
	Lowest Responsible, Second Low Bidder * * *	Total	\$110,797,022.79

Chair Sabety moved to approve Resolution 07-75
 Dr. Puckett seconded the motion.
 Approval: Vote 3-0.

11. Settlement Agreements Approval - Presented by Jerry Kasai

The Frontier Local School District, with the approval of the Commission, entered into a contract with Apex/M&P Construction for the general trades work for the construction of two elementary/middles schools and one high school for the School District. Travelers Casualty & Surety Company of America was the surety on behalf of Contractor. The Quandel Group entered into a contract with the Commission to provide construction management services on the Project. Architectural Vision Group entered into an agreement with the School District, with Commission approval, for professional design services for the Project. A dispute arose with respect to the workmanship, design and quality control of the roofs on the Project. Due to the problems with the roofs on the Project, all three roofs are being replaced by the Co-owners. After mediation the Co-owners have tentatively agreed to settle the matter with the parties as follows: Travelers will pay the Project \$775,000, AVG will pay the Project \$375,000, with a potential \$30,000 credit for construction administration services, and Quandel will pay the Project \$195,000. Staff recommends approval of Resolution 07-76.

Representative Szollosi asked as the result of this settlement, what does Frontier have to pay. Jerry Kasai replied that he couldn't answer exactly, but felt it would be around zero as there are existing funds in the project fund. The costs we are getting are about \$1.38 million. If there is anything due from a local share it would be a small amount. Representative Szollosi commended the Director and Jerry Kasai for their work on this. I know that this was a very difficult process, but with a very good result and represents a job well done. Jerry Kasai thanked Tom Brannon for all his work.

Dr. Puckett moved to approve Resolution 07-76
 Vice Chair Quill seconded the motion.
 Approval: Vote 3-0.

The Western Brown Local School District, with the approval of the Commission, entered into a contract with R Kelly, Inc. for the HVAC work for the construction of Western Brown Middle/High for the School District. Subsequent to completion many problems became evident with the work of Contractor, resulting in litigation between the Co-Owners and Contractor along with its surety, Accuity Insurance. After mediation the Co-owners have tentatively agreed to settle the matter with the Contractor and its surety for \$500,000 and to release all claims against the Contractor and its surety. Staff recommends approval of Resolution 07-77.

Vice Chair Quill moved to approve Resolution 07-77
Dr. Puckett seconded the motion.
Approval: Vote 3-0.

The Toledo City School District, with the approval of the Commission, entered into a demolition contract with D-K Enterprises Inc. for the demolition work for the Oakdale and Gunkel Elementary School project sites for the School District. The Contractor alleged that the scope of work it was required to perform was substantially different than the scope of work it bid on and filed suit against OSFC in the Court of Claims. The Commission and School District have agreed to settle the claim with the Contractor by paying Contractor \$175,000 and partially release claims against the Contractor which are known or should have been known in the work of Contractor. Staff recommends approval of Resolution 07-78.

Vice Chair Quill moved to approve Resolution 07-78
Dr. Puckett seconded the motion.
Approval: Vote 3-0.

The Dayton City School District, with the approval of the Commission, entered into a prime electrical contract with Settle Muter Electric for the electric work for the construction of Bellhaven Elementary for the School District. The Contractor alleged delays and acceleration, which allegedly caused it to incur additional costs over and above what was originally anticipated in the Contractor's scope of work. The Commission and School District have agreed to settle the claim with the Contractor by paying the Contractor \$80,000 and partially release claims which are known or should have been known, except for any latent defects in the work of Contractor. Staff recommends approval of Resolution 07-79.

Representative Szollosi asked if we were aware of any defects in the work product. Jerry Kasai responded no, in fact that quality of the work seemed to be very good.

Vice Chair Quill moved to approve Resolution 07-79
Dr. Puckett seconded the motion.
Approval: Vote 3-0.

The Tecumseh Local School District, with the approval of the Commission, entered into a prime electrical contract with Settle Muter Electric for the electric work for the construction of Tecumseh Carlisle Middle School for the School District. The Contractor alleged various impacts against the co-owners, which allegedly caused it to incur additional costs over and above what was originally anticipated in the Contractor's scope of work. The Commission and School District have agreed to settle the claim with the Contractor by paying Contractor \$76,000 and partially release claims which are known or should have been known, except for any latent defects in the work of Contractor. Staff recommends approval of Resolution 07-80.

Dr. Puckett moved to approve Resolution 07-80
Chair Sabety seconded the motion.
Approval: Vote 3-0.

The Bethel Tate Local School District, with the approval of the Commission, entered into a contract with Cleveland Construction, Inc. for the general trades work for the construction of Bethel Tate Middle/High for the School District. Subsequent to completion problems became evident with the roof insulation installed by Contractor, resulting in litigation between the Co-Owners and Contractor. After mediation the Co-owners have tentatively agreed to settle the matter with Contractor for \$85,000 and to release all claims against Contractor. Staff recommends approval of Resolution 07-81.

Vice Chair Quill asked if we put another roof on. Jerry Kasai replied that an overlay is essentially another roof. Chair Sabety asked the cost. Jerry Kasai replied that the hard cost was about \$239,000 for the roof overlay. There was an earlier settlement with the architect where we obtained a similar settlement amount of \$85,000, although it was not totally for the roof. There was also a lot of dispute about ASHRAE versus certain standards of what was supposed to happen there and also a dispute as to the industry standard of installing installation around purlins and that the insulation if properly installed would be compressed because it had to go around purlin in the roof. Those were the areas the greatest heat loss was being observed. Director Shoemaker responded that the precedent that was set with the Frontier case for the first time we had participation from the construction manager, the contractor, the surety and the architect to a substantial degree that we set a standard that they can not walk away and say it was not my responsibility.

Vice Chair Quill moved to approve Resolution 07-81

Dr. Puckett seconded the motion.

Approval: Vote 3-0.

Meeting was adjourned at 4:12 PM.



J. Paul Sabety, Chair

These meeting minutes were prepared by:

Carolyn McClure

Executive Assistant

Ohio School Facilities Commission