

Ohio School Facilities Commission
August 23, 2007
William McKinley Room 1:30 PM

MINUTES

Meeting was called to order at 1:32 PM.

1. **Roll Call**

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

2. **Executive Director's Report**

A/E Summit on July 31st: This annual meeting was very productive. The A/E's were asked to share their suggestions with OSFC and 50 suggestions were provided. The suggestions will be used as we consider ways to improve our processes.

High Wealth District Meetings: Will discuss prospects and opportunities for program participation.

Greeneview Local School District: This project has been idle for several years and has now moved forward. The district built a building as a pilot under ELPP. Originally those specifications did not meet OSFC requirements. Since then, OSFC specifications have changed, a re-evaluation was done and a credit was established. This turned out to be a very cooperative effort.

Speaker at BASA on August 8th: Spoke with approximately 300 educators discussing the impact of Tobacco Securitization.

Ravenna School District Visit on August 7th: The school district is very anxious to get started on their project, but there is a wetland issue. They are currently dealing with the Corps of Engineers. OSFC wants to move the project forward as soon as that decision is made.

Buckeye Sheriff's Association: Met with Director Bob Cornwell and President Stanford to discuss security on the project sites and how we can work cooperatively. Possibly looking at a reward-type program similar to the State Fire Marshal's program.

Superintendent John Foley - Toledo City School District: Visited OSFC and discussed building project.

Superintendent Jim Herd - Fairfield Union Local School District: Visited OSFC and discussed working with ODOT on five turn lanes.

Cleveland Municipal School District Partnering Meeting on August 13th: Discussed their progress in working towards a Master Plan.

Construction Manager Interviews to be held on September 10 - 14: This is an extensive process for the next round of schools. Proposals were submitted and evaluated. A short list from the evaluation was determined and interviews were scheduled for September 10 -14. Director Shoemaker will be

involved with every interview. At the end of the interview process, Construction Managers will be selected for the school districts involved.

Ohio School for the Blind and Deaf Open House on August 18th: Approximately 60 people attended. The Architects and Engineers provided charts and diagrams of potential floor plans. No schematic design of the building was presented and a site selection has not been finalized.

Dayton African American Chamber of Commerce Meeting on August 17th: One of the major issues was how to involve more minority workforce contractors in our projects. Also talked extensively about the Model Bidder Criteria and dealing with the size of the projects and bids.

Ohio Education Association Meeting: Discussed Regional meetings and going out to listen to teachers prospective on OSFC facilities.

Nelsonville Ground Breaking on August 20th: This project has been slowed for three years due to the difficulty of decisions that had to be carefully evaluated at the local level. These decisions have been made and ground was broken on August 20th.

Elyria Local School District Visit on August 24th: The Director will be presenting a project check to Elyria in a kick-off for their teacher in-service day.

Waggoner Junior High School Dedication on August 8th: This ELPP school district is looking forward to more projects.

Chillicothe HS/MS on August 19th: ELPP Dedication Project. Very emotional as they dedicated one of their gyms to the police officer that was a DARE officer at the school and killed in the line of duty. They also received their 100-year accreditation certificate with North Central.

Mediators: Discussed with some of our partnering consultants their work with OSFC in mediation and litigation. They have volunteered to discuss how we can define some of our contract language and tighten the language so that we do not get to that point of open-ended questions. We had a potential serious issue at Scioto County Joint Vocational School District, which was discussed at a previous Commission meeting. There was a labor strife situation, which threatened to shut down work on the project. We were able to resolve that with phone calls and communication. Director expressed thanks to the Governor's Office, the Department of Education and Dr. Puckett for their role in this.

Columbus City School District: 10 buildings have been opened in August bringing their total buildings to date to 17.

Dayton Visit: The Director shared some pictures of the variety of the designs of the building from his visit to Dayton. Dayton is getting ready for Segment 3.

Findlay City School District: The Director is planning a visit to Findlay to see how OSFC can help with their flooding situation. They have two feet of water in their offices, five and a half feet of water in their cafeteria and ten feet of water in their boiler room. They have been flooded four times this year.

Commission Questions:

Representative Evans asked for an updated report on the union/non-union jobs from a previous meeting. Director Shoemaker reported that a report was presented at the last Commission meeting and a copy would be sent to Representative Evans. From our construction manager website: 45% of contract dollars go to union firms, 55% to non-union firms. In that number, 61% were non-union contracts and 39% were union contracts. New information provided 420 prime contracts that represent approximately \$686 million of which 128 were union and 292 were non-union. The dollar distribution was about the same. The bigger dollar volumes were the union firms and the smaller dollar volumes were non-union.

Representative Evans asked for a Project Labor Agreement (PLA) and prevailing wage update. Director Shoemaker responded that OSFC has approved one agreement for Ironton School District (Lawrence). Our only process is to approve a PLA unless there is a legal problem. We have received a proposal from Painesville and are working with them on language. We will update the Commission monthly on this status.

Senator Mumper questioned the advantage of creating a PLA for Ironton and what that did for the OSFC program. Director Shoemaker responded that OSFC simply worked through the issue of the role of the construction manager. That was the extent of OSFC's involvement. The decision was driven by the local board and the superintendent.

Senator Mumper asked who would pay the extra dollars, the school board or OSFC. Senator Mumper acknowledged that the budget could be adjusted by the school choosing to do less expensive things. If that situation occurs, who does this benefit: the merit shops, the union shops, the school district or us. Director Shoemaker responded that no one knows what will happen dollar wise. There is a consistent argument that the speed of the project, no disruptions and the quality of the work will keep that budget down. On the other side of that argument wages will drive it up. That has to be a local decision. Right now we are assuming this is going to be revenue neutral. The Director shared a letter that he will be sending to all the 612 school districts about the decision of the amended model criteria indicating that it is a local decision.

Senator Mumper commented that first we did the prevailing wage and now PLA. This disagreement has gone on for 30-40 years. Senator Mumper suggested the solution would be to add to the next resolution that we can go back and bid the way they have been bid very successfully in the last ten years, without any requirements except for loss and we could end this age-old question. Senator Mumper noted the responsibility of looking after tax dollars and building these schools as efficiently and inexpensively as we can. Senator Mumper again suggested a resolution that would allow districts to bid all three ways. If the schools chose to do like Ironton did and there were more dollars involved, if the schools choose that way they can come up with the money. The OSFC pays their percentage of the lowest investment. Director Shoemaker responded that we would be monitoring this very closely in terms of the quality piece, non-disruption on the sites and lots of different issues. Senator Mumper noted that he would volunteer to write that resolution. Chair Sabety responded to Senator Mumper's question of who was this good for. Given the volume of construction that OSFC sponsors in our local communities, we need to be strong components of good management practices. We need to look at high quality construction. We need to put the framework in place to allow that to occur and to allow local choice. That was an important component of everything that we did to provide local choice, making it clear to communities they had the ability to do what they felt most comfortable doing. We understood that our role was to enable them to pursue that. Chair Sabety encouraged record keeping to allow us to look at the actual performance of contractors. Representative Szollosi had two items for the Director. The first being the Director touched on the

issue of the flooding in Northwest Ohio. Obviously it has been severe. The Governor declared a number of those counties as emergency areas. Representative Szollosi asked about Commission programs that assist districts. Director Shoemaker explained the Emergency Assistance Program that provides financial assistance in the event a district has a gap in insurance. Representative Szollosi wondered if there is a way we could be proactive and reach out to some of those schools. The timing on this is just awful. The kids are getting ready to go back to school if not already in school. It would be good if we could be proactive in reaching out to some of those superintendents. Jerry Kasai responded that a committee was formed to address emergency needs. Steve Lutz, Franklin Brown and among other members of our staff are addressing this. If you have a direct concern, contact Steve Lutz or Franklin Brown and they can guide you through the process.

Representative Szollosi's second item for Director Shoemaker was that he received an inquiry about security and thanked the Director for getting back to him so promptly on some of the policies we have. One suggestion, as the Director mentioned copper is being stripped from a number of these facilities, is to have wireless security that is tied into cellular service. That was a recommendation that was made that would be low cost and effective way to identify whether or not somebody is intruding on a site with illicit purpose. Director Shoemaker responded that we have done that with some of our urbans based on the home intruder type protection that sends an alarm to the local security firm. We have funded that type of thing. One of the other things we have talked about if in fact it could help with initial security, how much of that could be transferred to the new building. That is an area where we can make some improvements. Cleveland has armed guards on their site, but that is out of their budget not funded by OSFC. Chair Sabety responded that in view of Senator Mumper's concerns about cost, my hope is that we will certainly leverage or maximize the insurance proceeds available wherever possible to school districts before we access other scarce state resources.

Vice Chair Quill mentioned that the Department of Administrative Services is currently planning several outreach programs and conferences in urban areas relative to involving minority businesses and contractors in the state processes and EDGE eligible businesses that are also Ohio companies that we are interested in promoting. Vice Chair Quill welcomed participation from the OSFC and their expertise to help educate and drive more participation in this process and hopefully move the costs in the proper direction as well.

Regulatory Reform – Presented by Scott North and Clyde Henry: Chair Sabety introduce Scott North, Governor Strickland's Special Representative on Regulatory Reform. Scott has been heading up our efforts around Advantage Ohio. They put together a small workgroup who have been working assiduously to help take a look at some of the issues around streamlining the OSFC building process and improving productivity efforts that are underway.

Scott North explained his duties as Special Representative on Regulatory Reform. In that capacity Scott directs the Governor's Regulatory Reform Initiative, which is called Advantage Ohio. Education is one of this administrations highest priorities. Expenditures for school construction and renovation in the next few years will certainly be among the most significant in state government. For those reasons we undertook to analyze some aspects of the OSFC administered process. We brought together a working group composed of experts from around the state from a variety of disciplines who brought expertise from a number of angles all leading to the school construction and renovation process. The group sought to identify possible needed changes in regulations, manuals, practices and processes of the OSFC in hopes of identifying some potential cost savings, some improvements in construction and educational outcomes in community satisfaction. The group consisted of twelve members. Three from state government, three from local school districts, two

from non-profits and four from the private sector. Scott read the members of the working group, as it was important for the Commission to understand the expertise that was brought to bear on these issues. The Chair of the group is Clyde Henry, who has the distinction of having been a K-12 teacher and an architect who has designed school buildings, but who has also worked on OSFC administered projects. Pete Crusse, Sr. Vice President of Smoot Construction, a large commercial construction company with substantial construction management expertise. Barbara Diamond, Senior Advisor to KnowledgeWorks Foundation from Cincinnati, which is a well-known education foundation with expertise in planning and design of school buildings. John Gayetski, Industrial Hygienist and Engineer from the Ohio Department of Health, brought building health and safety expertise to the table. Brad Graupmann, Heapy Engineering from the private sector, a company with substantial expertise in systems engineering. Dr. Joanne Kerekes, Superintendent of a rural school district in Northwest Ohio, who had been through an OSFC construction project. She brought actual real world experience to the table. Jeff LeRose, Business Director of Westerville Schools, a suburban school district who brought some real operations experience to the table. Pete Maneff, Executive Director of Curriculum Leadership and Development with Columbus City Schools, is an urban school system. Pete's expertise is in career education. Thomas Palmer, Executive Director of Preservation Ohio, a historical preservation organization. Jack Rosati, with Bricker & Eckler, who is experienced in representing school districts in litigation over construction issues. Jack Rosati and Clyde Evans were present at the meeting. Scott North and Executive Director Shoemaker participated in the meetings. Scott noted that Director Shoemaker not only assisted the process, but he enthusiastically embraced it, participated in all of the meetings and discussions, helped us with research and information and was an invaluable resource. Each member of the working group asked Scott to thank Director Shoemaker publicly for his assistance. The working group met five times. Individuals did research and brought it back. There was an extensive drafting process. The result of that process is a very detailed report with 36 specific recommendations that was presented to the Commission. The process was looked at in a linear fashion from the assessments, to the pre-construction activity, to the design and planning stage and to the construction stage and tried to find improvements in each of those stages. Given the breadth of the work and the number of recommendations, it is difficult to encapsulate it all very simply in a sentence, but one recurring theme you will see throughout the report is that the committee recommended that the OSFC introduce greater flexibility into a number of steps along the way and move away from some of the more prescriptive approaches so that educational outcome to construction outcomes could be better optimized. This was a lot of work and everybody that participated in this process was a volunteer. It was a substantial time commitment. Scott also thanked Clyde Henry publicly for his participation as chair for the group.

Clyde Henry presented some of the more significant findings of the work group. The committee when it started saw a need to put students' education and their community at the center of the equation. At the circumference of that equation was limited funds.

1. Optimize building and educational outcomes

In thinking that way, we approached every issue and some of the highlights we came up with are the way buildings are assessed and the master plans are formed to optimize building and educational outcomes. Currently with existing situations where a new high school might have a cost of \$15 million to be replaced with a local share of about \$2 million, whereas a renovation might yield a better building that would be more educational, viable and last longer. The districts currently would be discouraged from doing that because their local share could jump from \$2 million to \$4 million because of the way calculations are done. The group questioned the sense to charge a district more money and to pay more money if a solution that is less expensive for the state is really better for the students. So the thought was to determine the

maximum amount of funding available to a school district and then allow the district and the community to come back and propose other alternatives. If those alternatives are educational viable and less costly, the district should share proportionately in their local share rather than be charged a disincentive or a premium for that.

2. Define educational viability

The question that comes to the educational viability is what does that mean. There really is no standard. So the thought was that this committee needed to come together, work with the Department of Education and other expertise in order to have some protocol, some working definition and some evaluation of educational viability.

3. Increase local share flexibility

Currently there are two ways the local share is determined and the local school district is charged the higher of those two. With changes in tax laws and changes with local property value, a district can jump in and out of one of the other of those and absolutely wreak havoc with their long-term planning. This would have to be changed legislatively. If it cannot be changed legislatively, then at least give OSFC the flexibility to look at local share based on individual circumstances, timing and tax law.

4. Emphasize learning environments

The emphasis needs to be on learning environment not on prescriptive means of providing buildings. Too often buildings have been built in the past by OSFC and immediately renovated upon completion in order to meet the educational viability of the district. Does this make sense to spend our money and also to build something that is not at the heart of what we should be doing as far as students are concerned.

5. Enhance renovation viability

Enhanced renovation viability deals with the notorious 2/3rds rule. This rule was put in place in the beginning that if renovation costs exceeds 2/3rds of the new construction, then new construction was mandated. While regular flexibility is going forth and giving variances to that, the meaning of such a rule came into question. If a building at 50% renovation would result in a building that is not educationally viable for students, is that a good investment. If a building that takes 90% of renovation of cost of new for renovation and results in a better educational viable building, is that not a better solution if you put students at the heart of the equation. It is time to get rid of the 2/3rds rule and give equal consideration for building replacement or renovation.

6. Encourage community partnerships

Buildings in some cases are being renovated that have additional space to allow community uses that commune to enhance educational processes. In fact, even in new buildings to allow organizations that can be enhancements to the educational process to be located in those new buildings provided that the overall costs of the building is not exceeded or if the local districts want to fund that cost.

7. Improve design flexibility

Currently there are two standards: one you cannot go over budget and two you cannot go over square feet. That has been assigned by the assessment to the school district. The question on that is why. The result tends to be designs are made that are actually more expensive that have little angles, niches and strange bizarre things in order to get the building down to square feet. Where you could actually provide more square feet and more school for the student and more building for the community at a less cost. The criteria is you do not go over the budget and if

you can use better building techniques, better materials, why restrict a school district from using better materials if they can meet the budget. If you can use more up-to-date building techniques/processes to allow for more, is that not a benefit to the state, students and community. Move to a single criteria, cost.

8. Revise prescriptive manual

Revise the prescriptive manual in general and have it be based on outcome-based criteria. It is currently two gigantic volumes that does not ensure quality buildings, but that it ensures a lack of flexibility and a lack of ability to utilize the latest in building techniques.

9. Consider maintenance costs

Consider the maintenance costs and the long-term operational costs and that is tied in with environmental sensitive buildings and LEEDS. There is so much more that can be done in energy conservation in these buildings if we get away from the prescriptive manual. Allow the districts, the engineers and the creative forces to utilize the funds available, utilize the latest technology and in order to encourage environmentally sensitive buildings and to teach students how important that is as a member of our society rather than mandating that. In fact give an incentive, give a higher funding amount per square foot for school districts that will seek LEED certification. The cost of LEED certification, in order to determine that the building actually does meet these standards should be born by the OSFC rather than the school district. If the school district has to choose between the two rows of bleachers or the LEED certification, it is a very hard decision to make. That will allow the state to monitor how well they are implementing this particular aspect.

10. Enforce documentation

The construction documents are a highly complex set of protocols. There really needs to be additional training so that everybody understands what those are. They also can change to new standards all the time. In the design community, one of the difficulties is when a firm initiates the newer standards as you would in the private sector, people do not understand them and they want you to revert back to an older standard. We really need to have training and maintain for state projects at the absolute highest levels of documents and to make sure they are understood so they can be enforced.

11. Revise bidding

Under the bidding process, it is the lowest responsible responsive bidder. This needs to be clearly defined in measurable ways prior to the bid for it to be enforced uniformly.

12. Evaluate multi-prime

Currently and for many decades all state projects have a multi-prime bid. The critics of that process say it costs more money than if you would simply allow a single bid. We have no way of knowing whether that is true or not. Our recommendation is this is something that really needs to be studied in an empirical way so that a determination can be made. Once it is made, then the decision can be made to say it is worth it for other reasons, it does not cost anymore or it actually costs less, but we do not have that knowledge base, it could be costing the state millions of dollars. There are a number of items recommended that are a great deal of value. D

Dr. Puckett tried to get a handle on cost based on outcomes, but developed around need instead of standards that we now have. Clyde Henry responded the way it was approached for example an assessment is done of the school district. The fall back position is what the current position is and they would be entitled to get \$20 million project with \$5 million local share. So that would be their

maximum amount. They will not get any more money than that. The default position on current standards says that can be provided for you, but if they come back with a more creative solution figuring they can do this for \$18 million or \$15 million, then they should share in that savings proportionately provided that is a viable solution. If they come back and say they want terrazzo floors in our building and we can meet that within our budget because of the way they would design the building or where the architect believes he will and if it does not come in, we bid it any way at his expense. Why should they be restricted from trying to get better quality material or being restricted from using newer building techniques simply because somebody decided ten years ago to write it in a book. Give them a chance. Dr. Puckett responded that you start with a default position. Clyde Henry responded yes and in the overall report it basically in scheduling and everything else you have a default position so if a community does not move forward, does not want to participate, does not want to be creative they can simply say we will take the usual, but open it up to those that want to. Senator Mumper asked for more information on single primes. Clyde Henry responded the critiques of multi-prime bidding process advocated that is far more expensive because it takes a lot more administration and it may in fact be more expensive in the bidding because it does not attract the large contractors. As far as I know, nobody really has a way of knowing. So what we are saying is a committee needs to be formed to specifically look at that and to deliver some empirical information that says multi-prime process is costing us x amount of money, saving us x amount of money or cannot be determined. With that information, then go to the legislature with a recommendation or the legislature may say they do not care if it costs more for these other reasons. Senator Mumper asked if they have gotten to a structure yet. Clyde Henry responded that it was outside the charge of this committee other than to flag it as something that really needs looked at. Representative Szollosi thanked Clyde for his work on this impressive report. Representative Szollosi expressed interest concerning the utilization of equal-friendly initiatives in schools, but you also mentioned getting rid of the 2/3rds rule. Maybe this is a better question for Franklin Brown, but are those two interests competing. Clyde Henry responded they are not competing. In fact, if you look at environmental movement, renovation of an existing structure is a key focus. Currently we are tearing down some incredible landmark buildings and putting them into landfills. One estimate said that the cost of tearing down a structure and building a new building the energy costs that go into that is equivalent to 30 years of heating and cooling that building. So if you look at the energy impact to the environment of building new rather than renovating, it is pretty incredible. In a renovated structure you can put in special glass, all kinds of mechanical systems and so forth so your outcome is more likely to be environmentally friendly. Representative Szollosi confirmed that what Clyde was saying was that those two interests are not competing or mutually exclusive, but in essence enhance one another. Clyde responded they are partners. Director Shoemaker clarified that the 2/3rds rule is no longer in existence. It was originally with part of the Commission. We have used that as a caution light for districts to simply say when that cost of the renovation gets to be 2/3rds of the cost of new, based on estimate, then the yellow light comes on and to be careful to make sure your numbers are accurate. Once you go over 100% that is the school districts cost. We now go up to 100% of those renovations and in a couple cases in the urban areas we have gone over that cost because we thought it justified some of the changes. We recently instituted policy in terms of postponement of the death for historical buildings for a district. Before you had to make a decision upfront when we entered into the project agreement what to do with the building. If that use of that building is not for educational use, we are now telling the school districts that they have the length of the project to make a decision on that building before it comes down or before it is decided to do something else with it. Obviously if it will be used for educational purposes that has to be a decision upfront, but if the decision is on giving the community time to find a buyer or an alternate use, they now have the luxury of that extra time in addition to a little bit of financial incentive being given to them. Once we leave the demolition dollars are not there.

Chair Sabety asked in your prospective of someone who has been in the market place, is an incentive required to get school district's interested in building regarding LEEDs, the marginal cost of investing on the front end so you are saving operating, maintenance or energy costs on the backend. Clyde Henry responded most districts would want to do it and would do it willingly. One of the issues is the current funding tends not to be high enough to do it and that is why we are saying the districts that will commit to that there may have to be a slightly higher funding level for those projects so that it does not have to be all locally funded initiative in order to reach that little bit higher standard. Chair Sabety responded that Clyde was arguing that cost structure at this point in time is such that any added LEED enhancement the cost must totally be born by the local community. Clyde Henry responded that it would. You can do some things, but you could not get to the point of certification.

Chair Sabety thanked the committee for its work in putting this together. It labored in obscurity, but in fact has brought forth a very valuable product. Director Shoemaker thanked the committee. For the most part we agree with the report. One of the things we have to try and do in the balancing act is to guarantee the quality assurance for every building. Sometimes when we talk about enhancing one building, we have to make sure someone else has that opportunity. We are trying to do that in terms of LEEDs standards or day lighting. Typically we go in and say we will not co-fund that portion. So what we are saying is maybe we have a mechanism that will come up with that portion of the local share. Typically we fund based on the equity list what that local share is. There are certain items that we simply say this is beyond the scope of what we provide for every district. That is always a bone of contention and then it becomes a trade off. We are trying to say if in fact we think it is a good option and even we do not fund it for everyone, we should give you some alternatives the same as Vice Chair Quill talked about for the businesses, an opportunity to be involved and to give them some sort of resource and some kind of educational process.

3. Adoption of the July 26, 2007 Meeting Minutes

Vice Chair Quill moved to approve the July 26, 2007 meeting minutes.

Dr. Puckett seconded the motion.

Approval: Vote 3-0.

4. HB264 Program Changes Approval - Presented by Steve Lutz

A resolution was presented to set commission policy to broaden eligibility for the School Energy Conservation Financing Program to include districts participating in OSFC funded or Expedited programs. The Program provides a process outlined in law to permit districts to exceed their debt limitations. Districts are permitted to incur debt to fund energy conservation measures in their facilities. The program was created by 15 years ago under sponsorship by Senator Shoemaker for HB264. The proposed policy would permit districts to supplement the funding and scope of their OSFC projects via HB264. Districts could submit applications, which identify energy conservation design features, which exceed the basic OSDM compliant design. Evaluation of the 15-year payback would be based on a comparison of computer simulations of the energy use of the base OSDM design and the proposed energy conservation design element. The proposed expansion of eligibility for the School Energy Conservation Financing Program will provide districts an additional option and greater flexibility in funding projects in OSFC programs. The staff recommended approval of Resolution 07-106.

Dr. Puckett moved to approve Resolution 07-106.

Vice Chair Quill seconded the motion.

Approval: Vote 3-0.

5. Exceptional Needs Program Guidelines Update Approval – Presented by Steve Lutz

A revision of the Guidelines for the Exceptional Needs Program was presented. Since the inception of the program, applicants were evaluated in five areas of concern.

1. Conditions detrimental to the health of the building occupants (lead, asbestos and contaminates)
2. Life safety (adequate means of egress, fire safety, safety hazards)
3. Structural integrity of the facility
4. The functional condition and safety of the heating and ventilation
5. Safety of the electrical system

The proposed change to the Exceptional Needs Program guidelines would add a 6th category, overcrowding as an exceptional need for facilities assistance. The application and scoring criteria included in the Commission materials are revised to collect and evaluate the severity of needs created by overcrowding. Factors considered include:

1. Five year historic enrollment growth
2. Current square feet/student (compared to ODM)
3. Ten year projection of enrollment growth (sustained growth)
4. Use of modulars
5. Inadequate or mission common spaces (such as student dining, gym, library)

The staff recommended approval of Resolution 07-107.

Dr. Puckett asked for clarification on the evaluation. Steve Lutz responded that we have crafted the evaluation to identify the number of students in each one of the buildings and evaluate the degree of crowding in each building and then provide a weighting of the severity of the difficulty across all the buildings in the district. If a school district has 90% of their students in one building and that building is very crowded, that district would get a higher score than the district that has 10% of its students in one building and it is very overcrowded.

Chair Sabety commented this was good for high growth areas and asked are there geographic areas in the state that this would be particularly useful and will you see demand and what are the budget implications of adding this fifth criteria. Do you anticipate a spike in demand because of adding this. Steve Lutz responded that we have not done a geographic study, but intuition tells us that the districts that lie within a reasonable commute from the largest urban center are those that tend to be experiencing the highest growth. We have seen demand fall off under Exceptional Needs in the last few years, so this provides an opportunity to reach out and serve perhaps a similar level to what we have served in recent years. The amount of resources we allocate to the Exceptional Needs Program is limited in the Revised Code to no more than 25% of the funding stream.

Vice Chair Quill moved to approve Resolution 07-107.

Dr. Puckett seconded the motion.

Approval: Vote 3-0.

6. Maintenance Plans Approval - Presented by Mark Wantage

There were nine maintenance plans for Commission approval. The maintenance plan is designed with the district with a systematic guide for preventative maintenance in addressing the financial needs of the facility. It also provides for prioritization of services and costs and provides guidelines to the district for how to use their half mill equalization. All these plans have been presented and reviewed by the staff of OSFC and recommend approval of Resolution 07-108.

School District	Buildings Included in the Maintenance Plan
Allen East LSD	Build one new facility to house grades PK thru 12.
Amanda-Clearcreek LSD	Build one new facility to house grades K thru 2 and one new facility to house grades 3 thru 12.
Dawson-Bryant LSD	Renovations to the MS/HS to house grades 6 thru 12.
Lisbon EVSD	Renovations/additions to McKinley Elementary School to house grades PK thru 5 and to Anderson Jr/Sr High School to house grades 6 thru 12.
Mohawk Local School District	Build one new facility to house grades PK thru 12.
Northern Local School District	Renovations/additions to Somerset Elementary School to house grades K thru 5; build two new elementary schools to house grades K thru 5; renovations to Sheridan Middle/High School to house grades 6 thru 8; build one new high school to house grades 9 thru 12.
Oak Hill Union Local School District	Build one new middle/high school to house grades 6 thru 12; renovations/additions to Oak View Elementary School to house grades PK thru 5.
Pymatuning Valley Local School District	Renovations/additions to the Middle School to house grades PK thru 4; build one new middle school to house grades 5 thru 8; renovations/additions to the High School to house grades 9 thru 12.
Spencerville Local School District	Build one new facility to house grades PK thru 12.

Dr. Puckett moved to approve Resolution 07-108.

Vice Chair Quill seconded the motion.

Approval: Vote 3-0.

7. FY08 District Project Agreements Approval - Presented by Eric Bode

Last month the Commission approved a resolution to bring 34 new school district projects for FY2008. That since has been presented to the Controlling Board and they approved these on August 20, 2007. The next step in this is to go ahead and try and get both the local share and maintenance funding for those projects. Once that is in place, we can sign the project agreement with those districts. A few of those districts actually already have funding in place because of ELPP credit or other and so they are really quite ready. They do not have to go to the ballot in November, they are ready to sign a project agreement with us. There are actually three project agreements being presented for three different situations Cost and Facilities, Exceptional Needs and Vocational Facilities Programs. This is about a nine page document that Revised Code 3318.08 lists various things that we have to include in that project agreement. We also as a staff have added other points just to clarify and give some direction to some of our policies. Every year we update this project agreement. It is a template that we would use for all these projects. A couple of those Eric Bode pointed out. Three changes are because of outside forces that have changed and we are responding to that. One is the use of project interest earnings in the Operating Budget Bill. There was a provision that allowed districts more flexibility on how they could use their interest earnings. We want to incorporate that into the project agreement. The second is the campaign contributions legislation which was House Bill 694 passed approximately eight months ago that talked about restrictions on campaign contributions to office holders from not only unbid, but bid work. That not only applies to the State of Ohio, but also to school districts and what they can and cannot accept as campaign contributions. So we wanted to clarify our provisions related to that and specify that not only from our side but the school districts who also have to comply with campaign contribution requirements in law in order for those contracts to then come to the Commission for approval. The third one is responsible bidder requirements from Resolution 07-98 that was recently passed and that is now referenced in the project agreement. A couple of other very minor clarifications we have referenced before to ELPP credits for districts that had an ELPP credit and are now moving into CFAP, but that was not finalized and so just how we would finalize that provision and respond to that. The final one is use of facilities after close out. There were some provisions that were left over from previous bond

law of us being required to do things after we completed a project from a district that was doing things afterwards and we are not in the business of monitoring compliance of school districts after we finish a project and we wanted to clarify that. With those changes highlighted for you, the staff would recommend for your approval Resolution 07-109.

Vice Chair Quill moved to approve Resolution 07-109.

Dr. Puckett seconded the motion.

Approval: Vote 3-0.

8. Urban Project Agreement Approval - Presented by Eric Bode

This is for the Akron City School District Segment 3. It is for \$104,597,624 segment with a \$61,712,703 local share. The actual scope of the work is six new buildings, ranging from the elementary schools to middle school/high school along with associated demolition and other allowances. The total Akron project will end up around \$600 million. Previously the Commission has approved the entire master plan and Segments 1 and 2 have been approved and Project Agreements signed. Segments 1 and 2 total about \$240 million. With Segment 3 we are up to about \$344 million. That takes us through Segment 3. We think in the end there will be six segments. We are halfway through the segments and more than halfway through to the end of the scope. A lot of thought went into this planning. The City of Akron has had a lot of enrollment changes specifically declines in enrollment, which then gets to which schools to build how to allocate them among the various neighborhoods. There was a very good partnership with the district. Jeff Tuckerman, Senior Project Administrator with OSFC, has been integrally involved in a lot of that. Also a piece of this is unique to Akron, in which the City is actually providing the local share funding and through borrowing money and providing that to the school district. Because of that specific mechanism there are certain limitations on the timing of the funding and so one of the constraints the district is working around is availability of dollars and how fast they progress in building of Segment 3 that would not exceed the amount available, but they have worked through that, made some concessions with the City to adapt to that situation. The staff recommended the Commission's approval of Resolution 07-110.

Director Shoemaker announced that Jeff Tuckerman will be retiring after 30 years of service in October thanking Jeff for his work and being such a vital part of the Commission.

Dr. Puckett moved to approve Resolution 07-110.

Vice Chair Quill seconded the motion.

Approval: Vote 3-0.

9. Master Facilities Plans and Amendments Approval – Presented by Steve Lutz

Two Master Facility Plan Amendments and one Master Facility Plan were presented for Commission approval. The first was an amendment under the Classroom Facility Assistance Program Facility Plan for Hubbard Exempted Village School District in Trumbull County. The original plan provided for three buildings (elementary, middle and high school). This amendment changes to a single K-12 facility. The efficiency of a K-12 results in less total square feet and a savings of \$3,344,237 in the project budget and a reduction of \$2,274,081 in the state share. The district requested this change to reflect the desires of their community. The staff recommended the Commission's approval of Resolution 07-111.

Chair Sabety asked if this was a one building school. Steve Lutz responded it was a one building school. Chair Sabety asked if the OSFC take into account the educational outcomes for larger massive school facilities or smaller facilities and have we ever looked at it other than cost. Steve

Lutz responded that it is a concern, but we believe that the district in working with their design professional can develop a design solution by use of wings for separate grade groupings or pods within a grade grouping that the design can create a small school atmosphere and it is a question of creative design by the design professionals in conjunction with the Superintendent and the administration of the school.

Vice Chair Quill moved to approve Resolution 07-111

Dr. Puckett seconded the motion.

Approval: Vote 3-0.

The second was the Master Facility Plan for Greeneview Local School District in Green County under the Expedited Local Partnership Program (ELPP). Greeneview was one of ten districts that became eligible to participate as a pilot in ELPP in 1999. In September 1999, the school board passed a resolution to participate in ELPP. This being one of the first projects to go forward under the new ELPP program, there were a number of issues to be resolved regarding the requirements to participate and eligibility for credit. The Master Facility Plan designates the district's local share percentage based on the district's equity ranking in FY2000. Greeneview is the last pilot ELPP requiring Commission approval of their Master Facility Plan. The plan provides for a three building solution (elementary, middle and high school) to serve 1,656 students with a budget of \$25,273,482. With the Commissions approval of Greeneville's Master Facility Plan, an agreement for the district's discrete portion would be brought to the September Commission meeting for approval. The staff recommended the Commission's approval of Resolution 07-112.

Dr. Puckett moved to approve Resolution 07-112.

Vice Chair Quill seconded the motion.

Approval: Vote 3-0.

The third was for a second amendment to the ELPP Master Facility Plan for Jackson Milton Local School District in Mahoning County to reconcile the plan with a change in grade configurations desired by the district. This plan revision moves the sixth grade from the new elementary school to the new middle/high school. This plan reduces the project budget by \$1,047,519 and the state share by \$178,123. It was noted that by moving the sixth grade population to the middle/high school the remaining population of the K-5 elementary school is below 350. Therefore, plan approval includes Commission waiver of the minimum 350-student population per facility criteria stated in law. Staff worked with the district to develop this plan revision to suit the districts desired grade configuration and recommended approval of Resolution 07-113.

Vice Chair Quill asked for explanation on the waiver and how that affects policy. Steve Lutz responded the legislation that created the 350 student criteria also outlines criteria for the Commission to grant the waiver and one of the criteria is sparcity of student population. By approval of this master plan and waiving the provision has no affect on policy. This is a waiver that fits within the criteria outlined in law. Vice Chair Quill asked how often has this action been taken. Steve Lutz responded that in the past the Commission has approved other master plans with buildings less than 350 and usually the driving factor is sparcity of population. One recollection is a building in an urban district and the condition was one that even though it was a large district with lots of students and they had a very good building, but it was setting on such a small piece of ground and they could not acquire any surrounding properties to add to it. It did not make sense to take the building out of service. It was a good facility and did not require much investment in terms of renovation dollars. Director Shoemaker commented that in light of the regulatory reform report that often times when we see this and this is the flexibility we talk about when a district goes in

particularly in older buildings and we say based on your population of that building you should have so many square feet, but you have more square feet than that, but we are not going to fund the extra portion, which is then a burden on the district. However, if you take the option of moving another grade level into that building then your contribution then becomes co-funded because based on that population we would help on that part of the building. It is a local decision, but it is one they have to balance with their educational philosophy, dollars and desire to preserve an existing building.

Vice Chair Quill moved to approve Resolution 07-113.

Dr. Puckett seconded the motion.

Approval: Vote 3-0.

10. Expedited Local Partnership Program Agreements and Amendments Approval

Presented by Steve Lutz

Two amendments to ELPP agreements were presented for approval. The first was for Jackson Milton Local School District in Mahoning County. It was a second amendment to their ELPP agreement to reconcile the agreement with the changed grade configuration described in their master plan amendment. Under ELPP, the district will build the middle/high school with the added sixth grade population. This amendment increases the discrete portion by \$1,361,585 changing the total of the discrete portion cost to \$14,840,096. The staff recommended the Commission's approval of Resolution 07-114.

Dr. Puckett asked what the reason was for the increase. Steve Lutz responded the original agreement with the district was for them to build a middle/high school and they want to proceed with building the middle/high school, but the Master Plan amendment has been amended to satisfy the desire to move the sixth grade population into the middle/high school and that has increased the footprint of the building by 9,632 square feet and the associated construction cost is \$1.3 million.

Dr. Puckett moved to approve Resolution 07-114.

Vice Chair Quill seconded the motion.

Approval: Vote 3-0.

The second amendment was for Strasburg-Franklin Local Scholl District in Tuscarawas County. The original agreement anticipated the district building the core area and K-2 classrooms of the planned K-12 facility. As the project progressed it was found that there were sufficient funds to add 1,851 square feet for the two additional classrooms to house the third grade population. This amendment reconciled the added work to reflect additional \$478,868 expenditures for a total project cost of \$7,034,807. The staff recommended the Commission's approval of Resolution 07-115.

Vice Chair Quill moved to approve Resolution 07-115.

Dr. Puckett seconded the motion.

Approval: Vote 3-0.

11. Consultant Contract Agreement Approval – Presented by Eric Bode

One consultant contract agreement was presented to the Commission for approval for the design manual update. This was a firm that was selected through a competitive selection process to help us with the design manual update two years ago. Following our policy, we can after competitive selection process go up to three years before reselection. This is the third one-year operating contract for this firm. Next year we would go into a new competitive selection process. Eric mentioned the design manual update process we have been looking at this year will focus on orienting the manual more towards encouraging and adopting LEED compliance. This is something

we are considering doing off cycle instead of waiting until the Spring to adopt those changes to either supplement or do some changes before that and so we definitely would want to get this firm under contract to help us the design manual changes. The staff recommended the Commission's approval of Resolution 07-116.

Representative Szollosi asked if this firm has been pretty good to work with. Eric Bode responded yes, they have a lot of experience working with us both in terms of architectural and engineering expertise in the design manual and also just with organizing and pulling together all the different suggestions and helping us with that and putting them into the document and getting a new document out.

Contractor	Scope of Work	Amount
Fanning/Howey	Design Manual Update Services	\$45,000

Dr. Puckett moved to approve Resolution 07-116.
 Vice Chair Quill seconded the motion.
 Approval: Vote 3-0.

12. Architectural Agreements Approval - Presented by Craig Weise

The following architect agreements and amendments were presented for approval. Both school districts were funded last year by the Commission and have secured their local funds earlier this year.

Agreements:

School District	Project	Architect	Amount
Mt. Healthy CSD	Two new elementary schools and middle/high school	Steed Hammond Paul, Inc.	\$4,094,326.00
Zanesville CSD	Three new elementary schools, two new middle schools and one new high school	Stubbs, Addis, McDonald Architects, Ltd.	\$3,303,031.85

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
Mt. Healthy CSD	Larger classroom windows, sloped roofs, additional high performance design features and 500-600 seat auditorium	Steed Hammond Paul, Inc.	\$516,585.00

The staff recommended the Commission's approval of Resolution 07-117.

Chair Sabety asked if it is possible to provide a schedule of the largest Architectural firms in terms of volume of OSFC jobs, as well as, consultant contract work for the Commission itself. Craig Weise responded that we could. In this particular instance of one of these firms, Steed Hammond Paul, as an example, we actually had a meeting with this firm last year because they were very successful in marketing their services to local school districts. In our eyes, they were potentially having a volume issue. They showed us their books of their staff, their current workloads not only on our projects, but also on their other private clients. They proved to us they did indeed have the

staff to do these projects. It is our concern that we try to monitor that and work with those firms to make sure prior to coming here that they can actually do the work.

Dr. Puckett moved to approve Resolution 07-117.

Chair Sabety seconded the motion.

Approval: Vote 3-0.

13. Construction Manager Agreements and Amendments Approval - Presented by Craig Weise

The following Construction Manager agreement was submitted for approval. This district was initially offered funding in FY05 under our Exceptional Needs Program. They were unable to secure their local funds and became a lapsed district. They have since secured their local funds and are part of the list of projects that were approved to move forward last month.

CM Firm	District	County	Total CM Compensation
G. Stephens Inc.	Girard City School District	Trumbull	\$1,350,205

The Commission staff has reviewed and recommends the approval of Resolution 07-118.

Representative Szollosi asked what say do the school districts have in the Construction Manager (CM) process. Is their opinion influential in any way if they have experience with a particular CM. Craig Weise responded that we are actually going through this process for the school districts that were just approved last month. Once we have short listed firms (3-4 firms per project), we notify the school district and encourage them, as well as, those short listed firms to go out to the district, walk their buildings, talk to them and we advise the school districts that they can make that process as formal or informal as they would like. It could be a meeting, a walking tour or it can be a formal interview with the school district, their board and whomever else they want to involve. Once that engagement happens, we ask for their input on the short listed firms for their project that talked with them. We use their input as an element in the final decision making process. Representative Szollosi asked if one CM typically handle all the projects for one school district or does it vary depending upon the number of projects in that school district. Craig Weise responded that we assign for management efficiencies one construction manager team for a school district. The only clarification would be our large urban school districts. That team may consist of multiple firms, but it is a team contract to manage it. Senator Roberts followed up with what weight would you give the local school boards recommendations and concerns. Craig Weise responded our selection committee for this year's districts are approximately ten people for the interview process. Within this group of ten people, there are typically three to four rankers randomly selected amongst these larger groups to fill out the ranking form who is the highest, most qualified and down the list. In the group of ten it is discussed as a group the district's interest, desires and input. So it is part of that process. We do not give a rating scale, but it is an important element that is critically used in the evaluation process. Director Shoemaker added one of the concerns we have talked about is the idea of having a school representative on the rating committee. We have talked about the fact that we will sit through interviews with a lot of CM's and in order to be consistent someone would have to give us a week of their time to sit through all of them. The other issue that arises is we do not know what contact or previous experience or anything else that has happened in that school. We know in terms of the staff that there is an arms length transaction to make sure we have not created an appearance of favoritism. Sometimes with the school district, we do not know that and we have had calls from someone that said this is a good member of the community, they help us with levies, I go to church with them and why are they not short listed. That is probably a good reason for the call, but it has to make us extra careful that we are not showing favoritism. When you talk with the rater or you look

at the rating scores, the Director does not rate, but reviews the ratings and consistently one rater will be rating everyone on the scale of 100, 70's and 80's, another rater might be rating them in the high 80's and 90's and another might be in the 60's and 50's, but they are consistent throughout. The Director looks for if one rater rated someone down at the bottom of the list and someone else had them way up at the top and he would look at what the discrepancy is. We think it is a pretty good balanced system. The raters do not know whom they will be rating. It is very subjective when you cannot put two side-by-side and compare this to this because of the length of the process. We think that the comfort level we built in that protection by simply saying we want that school board input. If there is a major red flag, obviously we will look at that a lot more than if they say we kind of like this firm better than the other one. For the most part, they do not actually vote on it, but we certainly want them to be comfortable. The criticism we always get is you hired the CM and we hired the architect. We are trying to break down that barrier to say no, we are both paying out of the same pot. These folks are going to work together. On the same token, we do not select the architect for the school district. We think it is a pretty good balance and we keep working to improve that. Representative Szollosi asked what the acceleration of the construction track over the course of the next four years, are we making any provision to expand the parameters or pool of professional services, firms, architects and CM's. Is that likely to be required given the escalation in construction and overall number of projects so that these firms are not being stretched so thin. Director Shoemaker responded that we have looked at that very carefully. We have tried to group our CM's in \$50 million packages to say here are three school districts that add up to about \$50 million, here is one \$50 million or two that add up to \$50 million. It is based on volume. We are beginning to look for those other CM's that might be able to plug into that system at a lower level. We see all of a sudden that we have a school district that may be remote or has a particular circumstance or something that has changed. That might be an opportunity for a CM to come in with a \$15 million project. We are aggressively looking at that. Obviously when we put the proposal out there we did not say this is category one, two or three. We cannot do that, but we are beginning to look at that and say this is a good performer on another project and maybe we should steer them towards this project. It is based on volume. We are not sure you can handle this \$50 million project, but you might want to concentrate your efforts on this \$25 or \$15 million project. We are trying to expand with that kind of direction for them. Representative Szollosi asked how much weight is given to experience on a previous OSFC project. That is one of the comments that was relayed to Representative Szollosi. For example, ABC Construction Managing Firm has done work all over the country and 100's of millions of dollars worth of contracts, but has not had an OSFC project previously and to this point has been shut out of the process because they have done no OSFC projects. Director Shoemaker responded 15% of the scores are based on experience on OSFC projects and it says familiarity with the OSFC manual. It does not say how much experience have you had, but how familiar you are with the process. Basically we are asking the question, how comfortable are you working within these guidelines. We think we can moderate that in terms of keeping the newcomers out of the ball game. It is like I will not hire you because you do not have experience, but you do not have experience because I will not hire you. So there has to be a balance somewhere in between.

Vice Chair Quill moved to approve Resolution 07-118.

Dr. Puckett seconded the motion.

Approval: Vote 3-0.

The following Construction Manager amendments for "locally funded initiative" were presented for approval.

<u>School District</u>	<u>Construction Manager</u>	<u>Amount</u>
Ohio Valley Local School District	Bovis Lend Lease	\$706,837
Fairfield Union Local School District	Bovis Lend Lease	\$455,385
Fredericktown Local School District	Turner/Resource	\$66,531
Versailles Exempted Village School District	Touchstone CPM	\$186,335

The Commission staff reviewed and recommended approval of Resolution 07-119.

Dr. Puckett moved to approve Resolution 07-119.

Vice Chair Quill seconded the motion.

Approval: Vote 3-0.

The following Construction Manager amendments were presented for approval. These were presented last month and there were a few mathematical errors. This fixes that and replaces last month's resolution for the Dayton City School District project for Segments 1, 2 and 3. The first resolution is regarding the co-funded project and the second resolution is for their LFI projects.

<u>School District</u>	<u>Construction Management Company</u>	<u>Amount</u>
Dayton CSD – Seg. 1	RDQM	\$584,978
Dayton CSD – Seg. 2	RDQM	(\$1,190,813)
Dayton CSD – Seg. 3	RDQM	(\$8,471,654)

The Commission staff reviewed and recommended approval of Resolution 07-120.

Vice Chair Quill moved to approve Resolution 07-120.

Dr. Puckett seconded the motion.

Approval: Vote 3-0.

The following Construction Manager amendments for “locally funded initiative” were presented for approval.

<u>School District</u>	<u>Construction Manager</u>	<u>Amount</u>
Dayton CSD – Seg. 1	RDQM	\$589,523
Dayton CSD – Seg. 2	RDQM	\$1,563,165
Dayton CSD – Seg. 3	RDQM	\$77,309

The Commission staff reviewed and recommended approval of Resolution 07-121.

Vice Chair Quill moved to approve Resolution 07-121.

Dr. Puckett seconded the motion.

Approval: Vote 3-0.

14. Trade Construction Contracts Approval - Presented by Craig Weise

All contracts represent the lowest responsible bidder. Craig Weise pointed out that Beacon Electric Company for Hillsboro City School District was the second low bidder, lowest responsible bidder. The apparent low bidder withdrew their bid because of a mathematical error. Chair Sabety asked for clarification whether Beacon Electric's work is different from the work to be done by J&H. Craig

Weise responded J&H is a general contractor and Beacon Electric is an electrical trade contractor. Craig Weise also pointed out that the contract for J&H Reinforcing and Structure Erectors for Hillsboro City School District was not added to the resolution. This is a general trades package and staff will continue to review this contract over the next thirty days and may have it on next months Commission agenda for consideration of approval. Director Shoemaker commented that there was extensive discussion at our last Commission meeting about contractors with a performance issue or other issues that they had. Representative Szollosi asked us to look at one in particular. We proposed a thirty-day review, but some of the circumstances came in a lot sooner than the thirty days and necessitated us pulling the contract. That is not the case with J&H. There are some external issues that must be resolved between OSFC and J&H in terms of some other projects. Director Shoemaker emphasized must be resolved. Typically we do not fault a contractor when we have a dispute. The only thing that concerns us is when we are not collectively trying to work towards some sort of resolution. We do not hold that against the contractor if they have something happen on a project because we know that is the nature of construction. There has to be cooperation from both sides. We feel in the next thirty days that will happen. We hope that will happen even sooner than that so that we do not risk a delay in the project. If there is a delay in the project, OSFC will assume that risk in terms of cost. Director Shoemaker assured the district of that. This has reached appoint that there has to be a peaceful resolution quickly if we are going to continue any kind of relationship. Chair Sabety asked Director Shoemaker to provide a general sense of the issues and do they deal with quality of previous jobs. Director Shoemaker responded basically it is a participatory question in terms of how they are going to help us resolve an issue on a couple other projects where there is litigation. In one case it may have been their subs. It is an issue where we are not getting as much cooperation out of them to sit down at a table to see how this can be resolved rather than saying what is the resolution. If you cannot sit down and agree what the resolution might be, then that is a problem. Chair Sabety asked how long has this situation been going on. Jerry Kasai responded one of the projects is Minford. This is a project that is occupied and recently discovered that flashing throughout the school building was installed incorrectly, which explained much of the water infiltration problem in the school. There is another issue with J&H at Wellston concerning a cracking in the masonry and lack of steel bearing plates in the masonry that were not provided by J&H, which then caused stair step cracks in every single window and doorway after the first freeze thawed in the high school. That is in litigation. Estimates have been that it would cost between \$750,000 to \$1 million to fix it. As of right now, J&H will not step up and make any effort to help us remediate this situation. Director Shoemaker commented that the eventual settlement is not the issue. The idea is to let us cooperate enough to get both of these processes moving. This is similar to the Frontier issue. It cannot lie there for six or seven years. We need to resolve it now. Chair Sabety agreed with Director Shoemaker and confirmed that we will be reporting back to the Commission a status report in thirty days. Director Shoemaker commented that if anything happens in the meantime, the Commission members would be updated. Representative Szollosi asked for clarification, are we saying J&H will tentatively be awarded this work subject to reporting back to the Commission in thirty days. Director Shoemaker responded we are simply saying we have to begin to get some cooperation before we will recommend that award at the next Commission meeting. We have no reason not to recommend that if in fact we begin to get some cooperation on these other projects. This is not an issue on the Hillsboro project. We are ready to recommend that if they show some good faith in terms of making these other two projects move. Technically they could go ahead and begin work without the official contract with the understanding we are coming back to the Commission for approval and we would allow them to do that. Representative Szollosi asked if OSFC was saying J&H could begin construction on the project. Director Shoemaker responded if we can work this issue out, they could start the contract at risk with the idea we are coming to the Commission to officially approve it at the next Commission meeting. We have no intent of cancelling the contract if we get some movement. Chair Sabety stated for the record that

certainly input from Director Shoemaker about the need to be strong about the need for high quality construction with whatever the construction contractor we are working with. Chair Sabety thought it only fair given that if we have done this similarly for other contractors and that the Director was correct to table this and move deliberately in the context of a record of other issues that do need to be rectified by the contractor. Representative Szollosi said unrelated to J&H, but was wondering if R.J. Martin, one of the other contractors that he raised a particular issue last month, if there were changes on this resolution concerning them. Director Shoemaker responded R.J. Martin's contract had been pulled for two projects since our last meeting because of some information that came to our attention from the project construction manager. We still have had no report in terms of findings from the prosecutor. This is still up in the air. We have pulled J&H from Akron and E. Cleveland and both of those were technology bids as opposed to electrical bids. Representative Szollosi followed up with have we received additional information on the status of this investigation. Chair Sabety responded she had not received any formal information. She just received at the beginning of the Commission meeting a letter that was routed to OSFC to her from R.H. Martin indicating a meeting has been set up for September 7th. Dr. Puckett asked if there is a potential penalty. Director Shoemaker responded that the potential penalty for them would be for us to come back to the Commission and say we are not comfortable with them on this project simply due to lack of cooperation on the other project without delving into the responsibility factor of who it was. We are not concerned about the Hillsboro project in terms of their bid, validity of their bid or their ability to perform the work. We are concerned about this idea that we have to be able to cooperate a little bit to resolve these issues that are past tense.

The Commission staff reviewed and recommended approval of Resolution 07-122.

<u>School District</u>	<u>Contracting Entity</u>	<u>Scope of Work</u>	<u>\$ Amount</u>
Akron CSD	Duer Construction Company	Masonry/Concrete	\$1,999,099.00
Akron CSD	The Knoch Corporation	General Trades	\$2,745,900.00
Akron CSD	Tuscon, Inc.	Site Work	\$811,632.00
Allen East LSD	Total Environmental Services, LLC	Asbestos and Hazardous Removal	\$93,720.00
Ashtabula Area CSD	Precision Environmental Company	Hazardous Material Abatement	\$743,100.00
Ashtabula Area CSD	Mr. Excavator, Inc.	Early Site Work	\$461,000.00
Cincinnati CSD	Dalmatian Fire	Fire Protection	\$167,750.00
Cincinnati CSD	Environmental Demolition Group, LLC	Environmental Remediation/Asbestos Abatement	\$105,000.00
Cincinnati CSD	Quality Mechanicals, Inc.	HVAC	\$1,387,277.00
Cincinnati CSD	Tri-Con, Inc.	General Trades	\$6,899,000.00
Columbus CSD	H & A Mechanical, Inc.	HVAC	\$59,875.00
Columbus CSD	Radico, Inc.	Plumbing	\$144,000.00
Columbus CSD	Capital City Electric	Electrical	\$75,925.00
Hillsboro CSD	Beacon Electric Company, Inc.***	Electrical	\$3,391,800.00
Hillsboro CSD	Dalmatian Fire, Inc.	Fire Protection	\$409,000.00
Hillsboro CSD	Feldkamp Enterprises, Inc.	Plumbing and HVAC	\$5,019,000.00
South Point LSD	JMK Technology	Technology Sound/Security	\$575,000.00
Springfield CSD	Thompson Concrete Construction, Ltd	Site Concrete	\$570,523.00
Springfield CSD	A & B Asphalt Corp	Asphalt Paving	\$988,000.00
Vinton County LSD	JB Hayes Excavating & Pipeline, Inc.	Off-Site Road Improvements	\$429,170.00
Warren CSD	Builders Hardware and Supply	Cylinders and Keying	\$124,716.00
Lowest Responsible Bidder, Second Low Bidder***			Total \$27,200,487.00

Dr. Puckett moved to approve Resolution 07-122.
Vice Chair Quill seconded the motion.
Approval: Vote 3-0.

15. Authority to File Suit – Presented by Jerry Kasai - Resolution 07-123

Jackson City Schools, Southview Elementary School completed in the CFAP program in August of 2003. About a year subsequent to completion the masonry experienced severe cracking and settling and/or heaving. The Owners retained HC Nutting Consulting, STS Consultants and Christine Beall to identify all the causes and fixes associated with the severe cracking. Consultants identified a number of causes and proposed fixes for the cracking in the block walls. Fix included placement of expansion joints and control joints to offset movement of walls. Original design did not include adequate control joints and expansion joints. Architect has agreed to mediate issues.

Geotechnical Consultant did the original soils study and did not adequately determine the composition of the clay mixture of the soils or point out that the site sits in the pre-historic Teays River Valley. CTL will not sign tolling agreement and refuses to discuss matter. Suit must be filed against CTL as statute of limitations may arguably expire. Mediation with Architect will proceed without CTL. Mediation with Architect will also encompass issues at the high school, where Architect and the former CM bid high school project and issued notices to proceed without the Project having the Nationwide Wetlands Permit from the Army Corps of Engineer. Project was delayed by lack of permits and substantial delay claims were paid out to the contractors issued the notices to proceed. Remedial work cost approximately \$400,000. The Commission staff reviewed and recommended approval of Resolution 07-123.

Vice Chair Quill moved to approve Resolution 07-123.
Dr. Puckett seconded the motion.
Approval: Vote 3-0.

16. Other

Chair Sabety closed by saying to the staff and members of the Commission that we are now entering our seventh month of this administration and in her leadership here, she saluted each and every one of you for your tremendous work in really moving through a lot of initiatives whether it is LEED, working with Advantage Ohio, supporting the executive director and she just wanted to say publicly what a pleasure it has been working with all of you as we embark upon an accelerated construction schedule and everything else. She knew it was often very difficult when new leadership comes in. She thought everyone has stepped up to the task and showed us true leadership. Chair Sabety just wanted to say publicly thank you very much and thanked Mike Shoemaker for his work as well.

Meeting was adjourned at 3:52PM.



J. Pari Sabety, Chair

These meeting minutes were prepared by:
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