

Ohio School Facilities Commission
September 25, 2008
William McKinley Room 1:30 PM

MINUTES

The meeting was called to order at 1:40 PM.

Roll Call

Members present: Chair Pari Sabety, Dr. Steve Puckett, Senator Larry Mumper and Representative Matt Szollosi.

1. Adoption of the August 28, 2008 Meeting Minutes

Dr. Puckett moved to approve the August 28, 2008 meeting minutes.

Chair Sabety seconded the motion.

Approval: Vote 2-0.

2. Executive Director's Report

The Executive Director updated the Commission members on the following: Site Visits, CM Debriefings, Legislative Contacts, District Issues, Contractor Partnering Meeting with Knox County Career Center, Treasurer Cordray Visit and A/E-CM Summit.

Director Shoemaker reported that on September 29th there will be a meeting to discuss standards for making school rooftops solar ready that was in the legislation passed by the General Assembly. Representative Blessing will be part of that meeting.

Director Shoemaker recognized Pleasant Ridge Montessori Elementary School in Cincinnati for being the first OSFC building registered for LEED certification, LEED Silver.

Director Shoemaker updated the Commission members on the meeting with Senator Harris, which included Senator Padgett, Senator Carey, Representative Collier, Chair Sabety, and OSFC staff to talk about Knox County Career Center in particular, but more importantly in general the process and how the construction manager functions and interacts during the process with the school, OSFC and the contractors. There will be another meeting scheduled to continue that discussion.

Director Shoemaker recognized Charlie Brading for his recognition by the College of Pharmacy at Ohio Northern University as a distinguished alumnus. This is only the second time in history of the college that this has been done.

Steve Berezansky provided an update on the overall contractor bid evaluation process and particularly the draft contractor evaluation form that was discussed at a previous meeting. The goal is to have a much more objective evaluation and to use the evaluation as a tool in bidder evaluations and the awarding of contracts to trade contractors. The form will be web based and available online. Mike Mendenhall, Deputy Chief of Projects, will be the point person for reviewing the contractors, contracts and bidder evaluation forms. This will give us more consistency when dealing with questions, problems and provide a resource for the architects, construction managers and school districts.

Senator Mumper asked who fills out this form. Steve Berezansky responded the school district personnel, the superintendent, treasurer, construction manager personnel, architectural group and the School Facilities Commission personnel.

Dr. Puckett asked if this would be helpful to use as an assessment in the middle of the project for monitoring or is this going to be at the end of the project. Steve Berezansky responded that this tool

will be utilized throughout the project. Director Shoemaker added that ultimately as the contractor finishes their phase of work we would like to get an immediate assessment rather than wait to the end of the project and try to go back and recreate all the history. Chair Sabety commented at the next update it would be helpful for the Commission to understand the process: how this fits in the flow of work, who will be filling this out, when we expect it to be filled out and how it will be evaluated along the way.

Representative Szollosi added this is a huge step forward. It is going to be a very important tool in terms of giving feedback on the overall quality of the work that is being done, but the absolute key is to make sure that these evaluations are submitted. He suggested that when the policy is established that the final pay request would not be granted until the evaluation form is completed and submitted. This would ensure that the evaluations would be submitted. We cannot have 30% or 40% participation. Whoever is going to be filling out these evaluations are going to need to comply. We have the authority to make them comply and it is necessary to do that. Chair Sabety suggested that there seems to be a gentler way to do that by adding a point that says if they appropriately fill out the evaluation of everyone that is working for them, so that it is clear that it is part of the way in which everyone is being evaluated, you build accountability into the system. Steve Berezansky added the web tool would ideally send reminders until the form is completed. Steve Lutz added that the evaluation forms used for rating the performance of the architects and construction managers are being updated and staff will be able to include a question that Representative Szollosi has suggested of have they completed the forms properly.

3. School Energy Conservation Financing Program Approval – Presented by Mark Wantage

Mark Wantage presented one School District requesting participation in the Energy Conservation Financing Program. In this program districts identify energy saving facility improvements. Projects must pay for themselves through the result and reduction of energy consumption within a fifteen-year period. School districts are required to prepare and submit project proposals for review and approval by the Commission. Commission approval allows the school district to obtain financing and proceed with their program. These projects have been reviewed by the Ohio Department of Development/Office of Energy Efficiency and the staff of the OSFC. Staff recommended approval of Resolution 08-133.

Fairview Park City Schools (Cuyahoga County):

Total Project Cost \$ 1,930,171

Interest Rate (Included in the Total Project Cost) 4.86 %

Totaled Annual Savings \$130,879

O&M Savings (Maximum Limit of 30%) \$37,890

O&M Savings is Percentage of Total Savings 28.9 %

Payback Period (Maximum 15 Years) 14.75 years

Number of Buildings Two

Vendor HEAT Total Facility Solutions, Inc.

Scope of Work:

New Building Automation System (2)

Classroom & Gym Lighting Retrofit (3)

Classroom Occupancy Sensors (2)

Vending Machine (1)

Boiler Replacement (1)

Steam Trap Replacement (1)

Suspended Ceilings (2)

Window Replacement (1)

Dr. Puckett moved to approve Resolution 08-133.

Chair Sabety seconded the motion.

Approval: Vote 2-0.

4. Maintenance Plans Approval – Presented by Mark Wantage

Mark Wantage presented two maintenance plans for Commission approval for Ada Exempted Village School District and North Fork Local School District. A Maintenance Plan provides the district with a systematic and thorough guide for preventative maintenance of the facility completed under the Commission’s programs. The plan also provides for projections of cost and a prioritization of the recommended maintenance operations. Individual plans are based upon the equipment and materials used in the facility. Recommendations are made concerning maintenance tasks, staffing, continuous education and service contracts. Commission approval of the Maintenance Plan is required for the access to their half-mill maintenance fund. The School Districts having submitted their Maintenance Plans for approval. Staff reviewed the maintenance plans for the districts and they met all the requirements. Resolution 08-134 was recommended for approval.

School District	Buildings Included in the Maintenance Plan
Ada EVSD (Hardin)	New K-12 School
North Fork LSD (Licking)	Utica Junior/Senior High Addition

Dr. Puckett moved to approve Resolution 08-134.

Chair Sabety seconded the motion.

Approval: Vote 2-0.

5. FY09 District Project Agreement – Segmenting Approval – Presented by Eric Bode

Eric Bode presented a proposed policy on segmenting and a revised project agreement for segmenting that was deferred at the September Commission meeting. A provision that was adopted in the capital bill and just recently became effective is one that would allow a district to segment. This item was partially vetoed by the Governor. The veto ensured we did not update the local share. Whatever they did on the first segment would go on to any future segments. In doing that it created some issues that we definitely wanted to spell out in OSFC’s policy so it is clear to districts and everyone what the policy is. One thing that segmenting does not do is change the priority order. No district would be able to leap in front of an offer for another district. This is a policy that if your time is up and you are on the equity list in your school district and we are offering you funds, then the district can choose to do the full fix or the segmented piece, but just because a district is doing the segmenting does not make them get ahead of anyone else.

The policy is divided into six sections. There is a section on eligibility, which is pretty straight forward from the law. The policy spells out that when a district has already signed a project agreement with us then it is not eligible to segment its project.

The second section has to do with criteria for segmenting. Some of this is directly from the law. A big requirement is that the school district in choosing a piece of their total master plan must do entire buildings. You cannot pick and choose and only do half a building or renovate a partial building. We actually have experience of that under the Expedited Local Partnership Program and it creates issues. It is difficult to re-work, it is difficult to split up a building and have it be as efficient and so it is very clear in the law and we are spelling it out here again that it has to be a full fix of a building. There is also in the law a minimum millage and that is defined in the law as 4%. The local share of a segmented project has to be at least 4% of the total assessed evaluation of the district. Translating that into what makes sense to superintendents and treasurers is that is about the equivalent of a \$3 million bond levy. Typically our school districts see somewhere around a \$5 to \$7 million levy and so a \$3 million levy would typically be about half of the whole project and would be a minimum segment size.

The third section is the process for segment approval. The process involves OSFC staff working with a district to come up with an entire master plan, but then focusing in on that piece of the segment that the district wants to do. In this regard it is very similar to what we do at a staff level for the Exceptional Needs Program. The school district submits justification for why they want to do a segment. OSFC

staff reviews the proposal to ensure that it is the best option for the district and then recommends a project agreement for the first segment to cover only the scope to be co-funded in that segment and not the entire master facilities plan to the Commission for approval.

The fourth section involves calculation of the local share. The district's percentage of the cost of later segments will be the same percentage as applied to the first segment. The state and local share percentages of subsequent work will not be changed by future equity list recalculations.

The fifth section covers the Expedited Local Partnership Program (ELPP) credit. This credit may be applied to a segmented project, be partially applied to the local share so that the remaining credit could be applied to a later segment or applied in its entirety to the local share required for the first segment, which could result in a refund to the district. A school district should notify the Commission of its intent to use their ELPP credit toward a segment and specify whether they intend to use all or part of their credit. The Commission shall review such requests and consider both the state and local school district's financial circumstances prior to applying any such credit or refunds.

The sixth section has to do with the process of future segments that involve a district notifying us that they want to move ahead. The key to this is that it is not automatic. We do not want to have a policy that says when you are ready we automatically approve the next segment because the big thing that we would have is looking out to the future and the availability of funds and what are other new districts that want to start projects, so that all has to be taken into account and prioritized. We also wanted to spell out that in the law there are specifics for future segments that you cannot do additional work on a building. For the purposes of this prohibition, "additional work on a building" is defined as work performed within the footprint of a facility completed in a prior segment. There is a statutory provision providing an exception to the prohibition against receiving additional funding for a building included under a prior segment. If a district can demonstrate that it has experienced an exceptional increase in enrollment in the grade levels housed in a particular building, the Commission may approve additional facilities assistance for that building.

Eric Bode also presented a template project agreement for segmented projects. Staff recommended approval of Resolution 08-135.

Eric Bode, answering a question from Senator Mumper, responded there are actually multiple sections in the law that were all coming together to address the segmenting. Pieces of those sections were vetoed. Essentially the reason for the veto was that, as written and passed by the General Assembly, the law would have it that each time we have a segment it is a new project agreement and a new calculation of the state and local share. Essentially those provisions that got to re-calculating were vetoed. This policy we are spelling out what the intention is which is that we would not re-calculate as we go forward into each new segment. Chair Sabety added the Governor's only concern in vetoing part of it was the re-calculation of the local share after every segment was completed would place other districts that had operated under different rules at a distinct disadvantage. The issue was fairness across the board.

Eric Bode added that we are working with districts to move ahead and the next time we would present would be November. There are approximately 28 districts that still have a possibility of going forward in November. Out of the 28 there are at least 10 that are interested in doing segmenting, so it is not everybody, but for certain districts it is the difference of moving forward and not being able to move forward. Director Shoemaker added the original proposal was to treat it as a need be type project which was the most clear to administer, but again it raised the issue of fairness that people could change their local share. Director Shoemaker thanked Chairman Sabety for helping us with this particularly what is in the statute in terms of educational viability, how feasible is it to do the second phase and how does this reflect in operating costs.

Dr. Puckett moved to approve Resolution 08-135.
Chair Sabety seconded the motion.
Approval: Vote 2-0.

6. Urban Project Agreement and Amendment Approval – Presented by Eric Bode

Eric Bode presented an amendment to Segment 4 for Toledo City School District. The amendment is a decrease in the budget. It was originally passed and approved by the Commission and Controlling Board, with eight buildings in Segment 4. Three buildings have been delayed and will be moved to Segment 5. Staff recommended approval of Resolution 08-136.

Dr. Puckett moved to approve Resolution 08-136.
Chair Sabety seconded the motion.
Approval: Vote 2-0.

Eric Bode presented a new project agreement for Segment 5 for Toledo City School District. This is the final segment for Toledo. There are 10 buildings in the final segment, which includes 6 elementary schools, 2 middle schools and 2 high schools. We also have an addition to one of the elementary schools that was already built and some demolition. In 2002 the Commission approved the plan for Toledo City School District it was a plan for 64 buildings and a grand total of \$797 million. With Segment 5, it is now planned to build 44 buildings totaling about \$655 million. This is a change of 20 buildings fewer and the savings of \$142 million. The big driver for that change is the change in enrollment. The original projection for the enrollment for Toledo was 35,000 and now the projection is for 24,000 in the build out year. Staff recommended approval of Resolution 08-137.

Eric Bode answering a question from Senator Mumper responded the Commission in FY2003 approved the plan and the end year for the build out would be 2011. That is the first year we expect the kids to be in that so it is an eight or nine year plan. Since the original plan until now we have experienced good 30% inflation in construction let alone what we would project for the next couple years. The race has been on for the Urbans. Generally on the one hand you have construction costs going up, and on the other hand you have enrollment going down. Chair Sabety asked what the decrease enrollment percentage since 2003 overall that is incorporated in the plan. Eric Bode responded it looks like it is about a 30% decrease in enrollment.

Director Shoemaker complimented Wayne Coleman, OSFC's planner for Toledo. Decreasing enrollment has been a struggle with the Urbans.

Dr. Puckett asked if inflation is built into each segment. Eric Bode responded every time we approve a new segment we would update the costs, the projected enrollment, assessments if need be and we would be looking at the most recent cost set that was adopted by the Commission earlier this year rather than going back to the original 2002 cost set. That does look forward to what construction is going to cost when these come to bid.

Dr. Puckett moved to approve Resolution 08-137.
Chair Sabety seconded the motion.
Approval: Vote 2-0.

7. Master Facilities Plan Amendments Approval – Presented by Steve Lutz

Steve Lutz presented amendments of three Master Facilities Plans for districts participation in the Classroom Facilities Assistance Program, amendments of three Master Facilities Plan for districts participating in the Expedited Local Partnership Program and an amendment of one Master Facilities Plan for one district participating in the Exceptional Needs Program Commission consideration.

Edgewood City School District of Butler County first amendment. This amends the 2008 Classroom Facilities Assistance Program Master Facilities Plan to allow the district to segment their Classroom Facilities Assistance Program participation. The district wishes to pursue the new high school as

Segment 1. This amendment removes five buildings from the Master Facilities Plan and \$56,092,437 from the budget. The remaining new high school project for Segment 1 is budgeted at \$42,146,325.

Genoa Area Local School District of Ottawa County first amendment of their 2007 Classroom Facilities Assistance Program Master Facilities Plan. This amendment allows the district to segment their Classroom Facilities Assistant Program participation. The district tried to raise the local share for the full fix in March of this year without success. Now the district would like to pursue the new elementary school, along with abatement and demolition of two schools as Segment 1. This amendment removes the new high school and the abatement and demolition of one school. \$15,281,847 is removed from the budget leaving a Segment 1 budget of \$22,426,397. This district constructed a new middle school under the Expedited Program and established a credit of \$6,218,863n. In accordance with the Expedited Local Partnership Program law that credit is included in the budget for the Classroom Facilities Assistance Program Segment 1 plan.

Highland Local School District of Morrow County first amendment of their 2007 Classroom Facilities Assistance Program Master Facilities Plan. This district wishes to embrace the sustainable design standard adopted by the Commission last September by adding the LEED allowance to the budgets of all four buildings in their plan. This amendment provides \$1,366,211 to the project conserving design options. This is a 2.8% budget increase.

London City School District in Madison County first amendment for their participation in the 2001 Expedited Local Partnership Program. This amendment increases the scope of renovations at the high school to provide additional HVAC replacement and increases the budget \$366,323, an increase of less than 1%. This plan is being amended in order to reconcile the district's Expedited Local Partnership Program credit.

Miami Trace Local School District in Fayette County first amendment for their participation in the 2007 Exceptional Needs Program. This district wishes to add the LEED allowance to their project for the replacement of their middle school. This amendment adds almost \$502,978 to the project to support investment in energy conserving design choices.

Talawanda City School District in Butler County first amendment for their participation in the 2002 Expedited Local Partnership Program. This amendment updates the cost set to 2008, reduces total enrollment 13%, adds 111 CT students to the high school which increases the size of the high school, updates facilities assessments which increases renovation budgets by \$7.3 million, changes one renovation project to new construction and increases the budget by \$19,208,964 which is a 35% adjustment. This district completed a new PK-5 elementary school under their 2002 Expedited Local Partnership Program agreement. This Expedited Local Partnership Master Facilities Plan is being updated to undertake a second facility project under Expedited Local Partnership Program.

West Muskingum Local School District of Muskingum County second amendment for their participation in the 2001 Expedited Local Partnership Program. This second amendment adds scope for the abatement of Richey Elementary School. This increases the budget by \$6,763 (1/100th of the 1% of the amended Master Facilities Plan). The plan for this district is being amended to reconcile the districts Expedited Local Partnership Program credit.

Staff has worked with the seven districts to update their Master Facilities Plans and recommends the Commission's approval of Resolution 08-138.

Dr. Puckett asked what the maximum LEED percentage budget increase was. Steve Lutz responded the allowance is set at 3% of the construction budget. Dr. Puckett asked if there is a significant interest for

school districts to add LEED requirements. Steve Lutz responded it really is driven by two things, the districts ability to provide the local share for that 3% increase and the question of timing with the progress of the projects. Director Shoemaker added the biggest and hardest part for the districts are those that have gone to the ballot, asked for a certain millage, got that passed and then realized there is an extra commitment they have to make in terms of LEED. They do not feel comfortable in going back to the ballot. One of the things we are trying to promote with them is to use HB 264 to help raise their share.

Dr. Puckett moved to approve Resolution 08-138.
 Chair Sabety seconded the motion.
 Approval: Vote 2-0.

8. Expedited Local Partnership Program Amendments Approval – Presented by Steve Lutz
 Steve Lutz presented two Expedited Local Partnership Program project agreements and one Vocational Facilities Assistance Program Expedited Local Partnership Program project agreement for Commission consideration.

London City School District in Madison County has a first amendment of their Expedited Local Partnership Program agreement. This amendment reconciles the agreement to the work scope completed by the district. The amendment increases by 13% the size of the partial new elementary school, increases by 10% the size of the partial addition to the high school and deletes the partial renovation of the middle school. Reconciled creditable expenditures increase by \$3,589,156 for an Expedited Local Partnership Program credit of \$29,185,996.

Warren County Career Center School District has a first amendment of their Vocational Facilities Assistance Program Expedited Partnership Program agreement. This amendment increases the scope of partial renovations and adds \$27,021 to the budget to support the additional work. The total credit anticipated is \$4,861,275.

West Muskingum Local School District has a second amendment to their Expedited Local Partnership Program agreement. This amendment reconciles the inclusion of the abatement and demolition of an elementary school to the work completed by the district. \$67,053 is added to the reconciled expenditures for a total Expedited Local Partnership Program credit of \$24,801,687.

Staff and our Regional Program Consultants have worked with the three districts to update the scope and credit amounts and recommended approval of Resolution 08-139.

Dr. Puckett moved to approve Resolution 08-139.
 Chair Sabety seconded the motion.
 Approval: Vote 2-0.

9. Architectural Agreements and Amendments Approval – Presented by Steve Berezansky
 Steve Berezansky presented design profession agreement and amendments for Commission consideration. The Commission staff reviewed and recommended approval of Resolution 08-140.

Agreements:

School District	Project	Architect	Amount
Graham LSD	Renovations/additions to Graham High School	Buehrer Group Architect & Engineering, Inc.	\$1,130,702.00
Maple Heights CSD	Build three new elementary schools, one new middle school and one new high school	Fanning/Howey Associates, Inc.	\$5,952,305.00

Paint Valley LSD	Build one new elementary/middle school and renovations/additions to the high school	Schorr Architects, Inc.	\$92,758.60
Reynoldsburg CSD	Renovations/additions to the middle, junior high and high school	Moody/Nolan, Inc.	\$4,302,633.96
Rittman EVSD	Renovations/additions to Rittman High School	MKC Associates, Inc.	\$1,029,726.71
Strasburg-Franklin LSD	Addition to the existing K thru 2 facility	MKC Associates, Inc.	\$744,229.33

Locally Funded Initiatives:

School District	Project	Architect	Amount
Reynoldsburg CSD	Excess space at the existing JR. High and High School Buildings	Moody/Nolan, Inc.	\$206,972.00
Maple Heights CSD	Additional students, out of sequence bidding not included in Master schedule, traffic engineering, utility extension, educational technology plan, additional administration services	Fanning/Howey Associates, Inc.	\$839,840.00

Dr. Puckett moved to approve Resolution 08-140.

Chair Sabety seconded the motion.

Approval: Vote 2-0.

10. Construction Manager Agreements and Amendments Approval – Presented by Steve Berezansky

Steve Berezansky presented the following Construction Manager Agreements were presented for approval. The Commission staff reviewed and recommended approval of Resolution 08-141.

CM Firm	District	County	Total CM Compensation
The Quandel Group, Inc.	Graham Local SD	Champaign	\$1,060,794
The Ruhlin Company – Seg. 2	Akron City SD	Summit	\$3,652,123

Dr. Puckett moved to approve Resolution 08-141.

Chair Sabety seconded the motion.

Approval: Vote 2-0.

Steve Berezansky presented the following Construction Manager amendments were presented for approval. The Commission Staff recommended approval of Resolution 08-142.

School District	Construction Management Company	Amount
South Point LSD	Bovis Lend Lease	\$375,000
Toledo CSD – Seg. 2	LGB LLC	(\$457,112)
Akron CSD – Seg. 2	RKPS	(\$4,052,124)

Dr. Puckett moved to approve Resolution 08-142.

Chair Sabety seconded the motion.

Approval: Vote 2-0.

Steve Berezansky presented the following Construction Manager amendments for “locally funded initiative” for approval. The Commission staff has reviewed and recommends approval of Resolution 08-143.

<u>School District</u>	<u>Construction Manager</u>	<u>Amount</u>
Hamilton CSD	Turner Construction Company	\$650,062
Millcreek-West Unity LSD	Barton Malow/Rupp Rosebrock, LLL	\$80,595
New Knoxville LSD	Richard L. Bowen + Associates, Inc.	\$63,676

Dr. Puckett moved to approve Resolution 08-143.
 Chair Sabety seconded the motion.
 Approval: Vote 2-0.

11. Trade Construction Contracts Approval – Presented by Steve Berezansky

Steve Berezansky presented trade contracts for Commission approval. All contracts represent the lowest responsible bidder. There is one contract, which represents an award to the second low bidder and it is for Toledo City School District. The apparent low bidder, Great Lakes Power & Lighting, Inc., withdrew their bid due to EEO Certification not being completed prior to the award of the project. Therefore the contract is being awarded to the second low bidder, Westfield Electric, Inc. The contract for Gametime C/O David Williams & Associates for the Defiance City School District project has been removed from the resolution for approval due to a discrepancy between the companies listed on the bid bond as compared to the company listed on the bid form. The Commission staff reviewed and recommended approval of Resolution 08-144.

<u>School District</u>	<u>Contracting Entity</u>	<u>Scope Of Work</u>	<u>\$ Amount</u>
Dayton CSD	DeBra Kuempel, LLC	HVAC	\$2,950,000.00
Dayton CSD	Able Disassembly, LLC	Demolition	\$110,000.00
Dayton CSD	Starco, Inc.	Plumbing	\$1,091,000.00
Dayton CSD	Peterson Construction Co.	General Trades	\$13,410,000.00
Dayton CSD	Central Fire Protection, Inc.	Fire Suppression	\$294,753.00
Dayton CSD	Able Disassembly, LLC	Demolition	\$500,000.00
Dayton CSD	Central Insulation Systems, Inc.	Asbestos Abatement	\$353,154.00
Dayton CSD	Chapel Electric Co., LLC	Electric	\$2,084,295.00
Defiance CSD	Data Eclipse, Inc, - Logos, Inc.	Technology Systems	\$545,214.00
Defiance CSD	Continental Office Environments	Loose Furnishings	\$745,784.00
Defiance CSD	Wadsworth Slawson Northwest	Visual Display Boards	\$80,146.00
Gallia-Jackson-Vinton JVSD	Wasserstrom Company	Food Service	\$312,334.00
Hamilton CSD	Trucco Construction Company	Early Site	\$605,600.00
Hamilton CSD	Kelchner, Inc.	Early Site	\$695,111.00
Hamilton CSD	Kelchner, Inc.	Early Site	\$399,889.00
Hamilton CSD	Broshear Contractors, Inc.	Early Site	\$446,000.00
Hicksville EVSD	ESCO Communications, Inc.	Video & Sound	\$408,850.00
Hicksville EVSD	Data Eclipse, Inc - LOGOS, Inc	Phone & Data	\$273,350.00
Hicksville EVSD	David Williams & Associates, Inc.	Playground Equipment	\$244,561.00
Hicksville EVSD	Continental Office Environments, Inc.	Loose Furnishings - School Specialties	\$660,853.00
Jefferson Area LSD	MCPc, Inc	Technology Equipment	\$323,318.12
Kalida LSD	Charles Construction Services, Inc.	General Trades	\$4,262,200.00
Lincolnview LSD	Quality Environmental Services, Inc	Asbestos and Hazard Abatement Materials Removal	\$21,635.00
Miami Trace LSD	Melvin Asphalt Paving Co.	Final Coat Asphalt	\$366,000.00
Minerva LSD	Central Allied Enterprises	Paving	\$289,600.00
Morgan LSD	Climatech, Inc.	HVAC	\$2,490,000.00
Mount Gilead EVSD	Carter Electric, Inc.	Electric	\$1,536,280.00
North Central LSD	Jeffrey Carr Construction, Inc.	General Trades	\$3,667,300.00

North Central LSD	Jamison Well Drilling, Inc.	GEO Thermal System	\$682,298.00
North Central LSD	S. A. Comunale Co., Inc	Fire Suppression	\$142,480.00
North Central LSD	Rizzi Distributors, Inc.	Food Service Equipment	\$181,700.00
North Central LSD	Moser Construction Company, Inc.	Concrete/Masonry	\$1,407,097.63
North Central LSD	M. Campbell Contracting, LLC	Site-Work	\$1,524,155.00
North Central LSD	Guenther Mechanical, Inc.	Plumbing/Mech/HVAC	\$1,738,000.00
North Central LSD	Continental Office Furniture	Loose Furnishings	\$304,566.98
North Central LSD	A/C Split Bolt, Inc.	Electrical/Fire Alarm	\$1,093,970.92
Ohio Valley LSD	Cincy Fireprotection, Inc.	Fire Suppression	\$219,000.00
Ohio Valley LSD	B.B. & E., Inc.	HVAC	\$5,969,000.00
Ohio Valley LSD	Perkins Carmack Construction	Generla Trades	\$4,878,000.00
		Technology Cabling, Equipment, Communications & Electric Safety and Security	
Ohio Valley LSD	Nor-Com, Inc.		\$2,285,956.00
Ohio Valley LSD	Accurate Electric Performance Construction (Division of Aggressive, Inc.)	Electrical and Fire Alarm	\$5,225,000.00
Ohio Valley LSD	Cincy Fireprotection, Inc.	General Trades	\$5,108,300.00
Ohio Valley LSD	The Kenny Houston Company	Fire Suppression	\$212,000.00
Ohio Valley LSD	Johnson Controls	Masonry	\$6,805,000.00
Ohio Valley LSD	Cincy Fireprotection, Inc.	HVAC	\$412,000.00
Ohio Valley LSD	Feldkamp Enterprises, Inc.	Fire Suppression	\$182,000.00
Ohio Valley LSD	Monarch Contruccion Company	Plumbing	\$2,592,000.00
Ohio Valley LSD	Stonecreek Interior Systems, LLC	General Trades	\$5,525,800.00
Ohio Valley LSD	R J Martin Electrical Contracting, Inc.	Casework	\$1,022,200.00
Olmsted Falls CSD	DiPietro Excavating, Inc.	Electrical	\$1,769,000.00
Osnaburg LSD		Site Work	\$2,126,478.00
		Loose Furnishings - Library Furniture	
Stryker LSD	Continental Office Environments		\$221,625.00
Stryker LSD	Walnut Grove Construction	Playgrounds	\$149,995.00
		Technology Equipment - Educational Video Equipment	
Stryker LSD	Data Eclipse, Inc - Logos, Inc.		\$299,685.00
Stryker LSD	Wadsworth Slawson Northwest	Visual Display Equipment	\$61,594.00
Toledo CSD	Blaze Contracting, Inc.	Site	\$987,000.00
Toledo CSD	A. Z. Shmina, Inc.	General Trades	\$4,527,000.00
Toledo CSD	Shambaugh & Son, L.P.	Fire Protection	\$145,980.00
Toledo CSD	Bayes, Inc.	Plumbing/HVAC	\$1,755,000.00
Toledo CSD	Westfield Electric, Inc. * * *	Electrical	\$892,597.00
Toledo CSD	Laibe Electric Co.	Technology	\$590,210.00
		Asbestos and Hazardous Materials Abatement	
Toledo CSD	Total Environmental Service, LLC		\$66,265.00
		Asbestos and Hazard Materials Abatement	
Toledo CSD	Midwest Environmental Control, Inc.		\$175,900.00
		Asbestos and Hazardous Materials Abatement	
Toledo CSD	Total Environmental Service, LLC		\$17,630.00
Versailles EVSD	Tyco SimplexGrinnell LP	Fire Suppression System	\$532,618.00
Versailles EVSD	The Wasserstrom Company	Food Service Equipment	\$604,900.00
Warren CSD	M & M Excavating, Inc.	Demolition	\$515,704.00
	Lowest Responsible, Second Low Bidder * * *	TOTAL	\$102,116,932.65

Dr. Puckett moved to approve Resolution 08-144.
Chair Sabety seconded the motion.
Approval: Vote 2-0.

12. Settlement Agreements Approval— Presented by Jerry Kasai

Jerry Kasai presented two settlement agreements for Commission approval.

The Mechanicsburg Exempted Village School District is a deduct change order to the contractor in which the Commission needed to give a release. The general trades contractor was a little tardy in getting the steel up, which had an impact on the entire schedule. We wrote a change order to help compensate the claims we had to pay to the other prime contractors. The change order was \$195,000 and the deduct change was \$195,000. We paid out approximately \$384,000 in claims on that project. We got back a large portion of the claims we had to pay on that project for delay and other matters. The Commission Staff recommended approval of Resolution 08-145.

Chair Sabety asked for further clarification on the incurred cost because of the delay and the recovered cost. Jerry Kasai responded we incurred cost of about \$384,000 and not all of which was attributable totally to Altman. There were some weather issues, masonry issues and things that could not be directly attributable to Altman itself. We had a claims consultant engaged to look at this and we came up with a range of what we believed was a reasonable range of the damages caused by Altman on this project. This matter did go through mediation. We believe it is a reasonable settlement of the claims we incurred on that project.

Dr. Puckett moved to approve Resolution 08-145.

Chair Sabety seconded the motion.

Approval: Vote 2-0.

The Wellston City School District is a settlement with Greenwich Insurance. Greenwich was the surety for the masonry contractor for the Wellston project. The mason abandoned the job towards the end of the project and went out of business. We brought in a replacement contractor and have incurred some additional damages over and above that. Essentially the surety Greenwich surrendered the bond. We would not be able to recover anything more than what is in this settlement. This is the best settlement we could get even if were to go through litigation. The Commission Staff recommended approval of Resolution 08-146.

Dr. Puckett moved to approve Resolution 08-146.

Chair Sabety seconded the motion.

Approval: Vote 2-0.

Senator Mumper asked whether or not wage rates and other benefits would be considered to be confidential trade secrets. Jerry Kasai responded for sake of uniformity we are going to treat the certified payrolls the same way as the State Architect's Office does. The only difference between how we are going to handle this and the State Architect's Office is that on our certified payroll forms there are no requirement that an individual employee social security number be listed. However, all the wage rates and all the other information that is on the statutory certified payroll form will be required and will be requested. That is public information that can be requested. We are not going to consider it a trade secret barring some other statutory change. In HB562 there was language that would have made that information a trade secret and not subject to public records request. That language was vetoed. We feel compelled to follow the intent of the law on certified payrolls as set forth and followed by all other state agencies. With respect to public records request for certified payrolls, we are going to handle all certified payroll public records request through the central office in Columbus as opposed to the construction managers just as an added backstop to make sure no social security numbers or anything else that may be construed to be confidential get released accidentally in a public records request. As of right now the only thing I can think of that would fit into that is if a contractor submitted certified payrolls that did contain social security numbers. We would want to make sure that we caught that issue before letting those documents be released to the public.

Senator Mumper asked if competitors could see what other competitors are making in an attempt to underbid their competitors. Jerry Kasai responded that on every state project you could do that whether it is a School Facilities project or not. If you got underbid at an Ohio State project, you can make a public records request for the certified payrolls of that competitor that may have underbid you and see what that competitor was paying its employees. There are many things than just labor that go into the

bid. The price of the bid includes materials, labor, bonding, insurance, home office overhead and cost of the trailer out on the job. There are a lot of things a contractor utilizes and could cut their cost one way or another in preparation of that bid. I do not believe it gives anybody an added advantage in fact it may make things more competitive.

Chair Sabety added prevailing wage rules issued by the administration were in fact a clarification of the rules and did not change in any way the resolution that was adopted by this body almost a year ago which did no more than allow local school districts if they so chose to use prevailing wage. It did not prohibit it. It merely allowed them to use it. Some have decided to go forward with it and others have not. We are clearly evaluating what the impact of that would be.

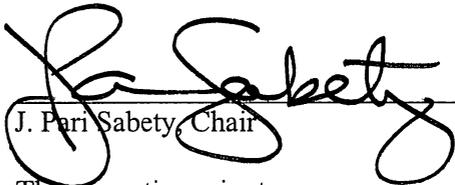
Chair Sabety also commented about whether someone could go out and get that information and use it to underbid. Chair Sabety referred back to the statement that Senator Harris made in opening our discussions in our last meeting, which is that we needed to be clear although there is a very high volume of contracts going through the Commission that we were getting the best value we could for every taxpayer dollar that is going through here. It's a very well known fact that Milton Friedman held forth the perfect information, if a market place works with absolute perfect information, you will in fact get to the best possible price. All of the contracts whether you are consulting for an IT project or you are building a building, all public projects are taxpayer money. All documents are public records as soon as the procurement decision is made. We are not treating the Ohio School Facilities Commission any differently in that respect.

13. Public Testimony

Mr. Adams, a citizen of Toledo, addressed the Commission seeking answers to questions he asked at last month's meeting regarding OSFC C-132 forms. Mr. Adams asked: if the Ohio School Facilities Commission verifies that these pension claims do exist, would that constitute fraud if they are claiming they have a pension plan and were receiving money for this pension plan on his change orders and they do not a pension plan and how are the school districts made aware of the responsible contractor language as Mr. Adams checked the OSFC website and there was no mention of it anywhere that he could find and wondered whether the project administrators bring it to their attention, whether they ever see the responsible contractor language and if they do who shows it to them since Mr. Adams could not find it on the website. Director Shoemaker responded to the availability of the responsible contractor language on the website. Jerry Kasai responded to whether or not OSFC has documentation to back up change orders. This is an issue that we have been working at for over a year and a half. We do attempt to do the best to document the change order cost early in a project. Our construction managers often times before first change orders are even issued sit down with the contractor to go over what their wage rates are and at that time they often get their actual wage rates. They try to determine what the crew size is and what their intention in terms of apprentices and laborers and all the other classifications or wage amounts to try and get a blended rate to work out what an actual hourly wage is. They also try to figure out what all the other costs are, what type of pension and the other benefits a contractor is trying to utilize on a change order and disallow a number of things. Employee profit sharing is not allowed and vacation time is often not allowed on a change order. They often check out the change order costs with respect to pensions. Do they actually look, confirm and go back to a third party administrator and confirm there is a pension plan where a contractor is paying x amount of dollars for John Smith for every hour worked. They do the best they can to verify there is an existing pension plan and see if that is a valid reasonable rate this is paid into pension plans. Mr. Adams said the question he was asking if you put that on the form and say you are paying \$3.60 an hour towards a pension and you do not, does that constitute fraud. Jerry Kasai responded that if Mr. Adams was aware of somebody not actually paying what claim to be paying on a change order, to let OSFC know and it would be looked into. Mr. Adams responded that this was brought to OSFC's attention in 2002 about a particular contractor and he would bring that information into OSFC in the next week. Director Shoemaker added that Mike Mendenhall, Deputy Chief of Projects, would be working on our contractor and construction manager evaluations to look at how to guarantee that quality and the accountability with all the information we have. Part of that would be a spot check of the things Jerry Kasai discussed. Chair Sabety requested that Mr.

Adams bring up technical issues of this kind to staff before the Commission meetings. Chair Sabety pointed out that Senator Mumper was very articulate about the need to get the most value out of taxpayer dollars for building these facilities. While it is extraordinarily important that we make sure that we are contracting responsible contractors, she was concerned that if we believe every contractor is executing and forging documents and we must police every one of them we will never get school buildings completed. We need to have a very careful balance. The reality is that a company executive signs every one of these forms and by signing these forms they are stating the truth. Chair Sabety noted that the Commission understands Mr. Adams concerns, but wanted to be clear that we have got to look at the amount of work we are doing and make sure we execute reasonable procedures not assume that every contractor is out there robbing us blind. Mr. Adams responded he was not saying that, he was just saying there are instances that he would bring to Jerry Kasai's attention next week.

The meeting was adjourned at 3:20 PM.



J. Pari Sabety, Chair

These meeting minutes were prepared by:
Carolyn McClure
Executive Assistant
Ohio School Facilities Commission

Ohio School Facilities Commission Meeting

Witness Form

Name: Alan Adams

Title: CITIZEN

School District/Company: _____

Address: 5312 ELAINE

City/State/Zip: Toledo, OH 43613

Phone: 419-350-5700

Fax: _____

Testimony Subject:

Seek ANSWERS to QUESTIONS

REGARD OSFC C-132 FORMS ASKED

at last months meeting.

Will you be providing handouts/materials? No

*****Please return the Witness Form and ten (10) copies of your testimony and materials to the Committee Secretary prior to testifying.*****