

District's Capital (Facilities) Program - Revised Spending Plan - August 2018

Facilities Management & Planning
8-22-18 Version

Capital Program Proposed Spending Plan Background

As documented in the Board Presentation of May 9, 2018 “OUSD Capital Program Reconciliation of Measures B&J” we have a serious structural deficit. We have started more projects and committed to more spending than we can afford. We would need an additional \$160 million in current funds to complete all of the projects within the timeframes committed. We have an urgent need to immediately identify the projects that we can defer or cancel to correct this structural deficit and control the unchecked costs associated with the unrealistic schedules.

Capital Program Support Documents

See attached spreadsheets for the following:

- 1- History of Measure J Capital Spending Program
- 2- Reconciliation of Measure J Capital Fund accounting

Capital Program Proposed Spending Plan Issues

- One of the issues is the huge increase in costs for committed scope. The Total Requested column on the next slide (#4) represents costs increases from scope development estimates and preliminary GMP's to current costs. We have to provide \$125 Million in funding to complete this scope that is already in construction.
- Slides 5-7 show the criteria used and projects identified for reduction to pay for the shortfall.

August 2018 Proposed Changes to Spending Plan

		From	To	Total Requested	Remarks
1	Glenview Replacement	47,000,000	58,800,000	11,800,000	Rebid 2017
2	Madison Expansion	27,000,000	36,400,000	9,400,000	Cost escalation since 2014
3	Fremont Modification	82,000,000	133,200,000	51,200,000	Cost escalation since 2014
4	Central Kitchen	53,000,000	71,000,000	18,000,000	Rebid 2017
5	Program Cordination	42,170,958	60,100,000	17,929,042	See Footnote
6	Program Contingency	6,900,000	14,400,000	7,500,000	25% of desired
7	Castlemont Fields/Bleachers	2,700,000	6,000,000	3,300,000	Scope/Cost escalation since 201
8	Lincoln Water Damage	-	2,210,000	2,210,000	New Project
9	Lead Abatement	-	2,300,000	2,300,000	New Project
10	ADA Upgrades	-	1,000,000	1,000,000	New Project
				\$ 124,639,042	
Previous balance of \$42Mil is exhausted					

Criteria for Project Deferral

Cuts must be made to some projects to allow completion of projects needed to affect the most students. We have based these recommended cuts on three primary criteria:

1. Make cuts furthest away from the classroom
2. Make cuts from projects not yet in construction or furthest away from construction
3. Make cuts with the least harm to overall District and the Facilities Program

Criteria for Project Deferral

4 Categories for cuts

1. Projects proposed for deferment to a future bond
2. Reduction of scope on existing projects
3. Reduction of budget (possible deferment to a future bond)
4. Savings from completed projects

Proposed Budget Reduction

Proposed Decreases in Funding		BUDGET REDUCTION			
		From	To	Total Decrease	Remarks
1	California Solar Initiative	35,000,000	31,000,000	(4,000,000)	Completed Project Savings
2	Marcus Foster ELC	43,000,000	17,500,000	(25,500,000)	Not in Construction
3	Brookfield ISS	4,000,000	2,500,000	(1,500,000)	Defer to next Bond Issuance
4	Oakland Tech Clinic	3,000,000	300,000	(2,700,000)	Not in Construction
5	Science Classrooms and Labs	13,250,000	3,000,000	(10,250,000)	Defer to next Bond Issuance
6	Restroom Renovations	8,049,489	4,500,000	(3,549,489)	Defer to next Bond Issuance
7	Claremont MS Kitchen Fire	5,000,000	3,000,000	(2,000,000)	Defer to next Bond Issuance
8	Playmating / Playstructures	9,000,000	3,000,000	(6,000,000)	Defer to next Bond Issuance
9	School Kitchens 1 & 2 *	28,775,000	7,775,000	(21,000,000)	Defer to next Bond Issuance *
10	Greenleaf (Whittier)	40,000,000	39,480,000	(520,000)	Completed Project Savings
11	Burbank Site Improvement	2,550,000	2,078,000	(472,000)	Completed Project Savings
12	Security Camera	6,500,000	4,500,000	(2,000,000)	Defer to next Bond Issuance
13	Carter @ Oakland Int'l Turf	2,500,000	1,800,000	(700,000)	Projected Savings
14	Sankofa Expansion	3,000,000	2,500,000	(500,000)	Projected Savings
				\$ (80,691,489)	

* Will retain sufficient budget for remaining kitchen plans through DSA approvals

Appendix

- Up through 2014 Planning, Estimates, and Costs were all in sync. We were successfully scoping, designing and building projects for the budgets originally allocated.
- The 2015 spending plan was prepared and presented by District staff with no experience in capital program management and an interim consultant acting as deputy chief based primarily on input from the Superintendent to add 25 new projects.
- The new project scopes were poorly defined and the budgets were not reviewed for full scope required, adequate costs escalation and local factors,
- The 2017 spending plan was prepared and presented by a Deputy Chief of Facilities with little experience in managing a large capital program and was based on artificially low budgets to meet the total funding and did not include cost escalation and scope increases since 2015.
- Projects that were bid and started in 2014 within budget were stopped and rebid in 2017. The extraordinary cost escalation during this 3 year gap requires budget augmentation and scope reductions.
- During the period of 2015-2018 facilities consultant services hours, hourly rates and expenses spiked to over \$4.9 M/year.
- With the return of seasoned leadership we have cut these costs to \$2.9 M/year, but the program coordination budget is already overextended due this previous overspending and the \$5 million cut in 2017.
- The Kitchens 1 & 2 line items were supposed to be utilized to bring school kitchens up to standards to support the new school lunch food coming from The Center. The \$5 million budgets for Hillcrest K-8 and Piedmont Ave Elementary Cafeterias were allocated out of this budget. We now have substantially complete designs (based on prefab modular construction) for both and budget estimates close to \$10 million each.

\$172M Projects Added October 2015

- District added 24 Projects costing \$126 Million
- Increased 7 Projects by \$45 Million
- Projects not associated with the MP
- Many are budget Allocations only
- Undefined Scope
- Current Cost to complete these projects ~\$ 232M

	Projects/ Increases	Increased By
1	Security Improvement at HS and at priority MS	\$ 7,000,000
2	Technology Infrastructure Upgrades	\$ 2,850,000
3	Greenleaf Expansion Project (From K-5 to K-8)	\$ 7,800,000
4	Central Kitchen at Foster	\$ 3,000,000
5	School Kitchens 1 & 2	\$ 23,850,000
6	Turf Field Replacement - Skyline HS Field	\$ 1,212,500
7	Turf Field Replacement - Oak Tech HS Field	\$ 177,500
	Total Increases	\$ 45,890,000
New Projects Added - With Non Defined Scope		
1	Dr Marcus Foster Leadership Campus (ELC2)	\$ 43,000,000
2	McClymonds HS Intensive Support Site	\$ 4,000,000
3	Castlemont HS Intensive Support Site	\$ 4,000,000
4	Brookfield ES Intensive Support Site	\$ 4,000,000
5	Frick MS Intensive Support Site	\$ 4,000,000
6	ISS Fund	\$ 8,000,000
7	Educational Technology	\$ 3,000,000
8	Middle School Fields	\$ 5,000,000
9	Furniture, Fixtures and Equipment (FF&E)	\$ 3,000,000
10	Claremont MS Kitchen Fire	\$ 5,000,000
11	Science Classrooms and Labs	\$ 12,750,000
New Projects Added - Defined Scope		
12	Broadway Interim Housing	\$ 6,500,000
13	Roofing Projects	\$ 764,647
14	Fruitvale ES Bleachers/Restrooms	\$ 1,300,000
15	Joaquin Miller ES Playstructure	\$ 89,198
16	Playmatting and Playstructures	\$ 9,000,000
17	Manzanita ES Play Area	\$ 200,000
18	Bella Vista ES Portable Removal	\$ 600,000
19	Skyline HS Gym Roof	\$ 250,000
20	Carter @ Oakland Intl High School Turf Replacement	\$ 3,500,000
21	Burbank ES Site Improvements	\$ 2,750,000
22	Parker ES Astro Turf Installation	\$ 1,253,993
23	Scoreboard at Fields	\$ 100,000
24	Emerson Field	\$ 4,300,000
	Total Additions	\$ 126,357,838

TOTAL ADDITION: \$172,247,838

Previous and Proposed Reductions \$228M



	2015	Decrease
1	California Solar Initiative (CSI) Project	(\$5,250,000)
2	Glenview Elementary School - Replacement	(\$3,000,000)
3	Madison Grade Expansion Project (From 6-9 to 6-12)	(\$4,050,000)
4	Sankofa Expansion Project (From K-5 to K-8)	(\$10,825,000)
5	Fremont High School - Replacement	(\$49,000,000)
6	Roosevelt Modernization (Design Only)	(\$22,150,000)
7	Security Camera Plan (Design Only)	(\$500,000)
8	Paving and Infrastructure	(\$14,778,285)
9	Bathroom Renovations	(\$15,110,511)
10	Child Development Centers Improvements - Laurel	(\$2,250,000)
11	Health Clinics - Oakland Tech	(\$950,000)
12	Turf Field Replacement - Castlemont HS & McClymonds HS	(\$300,000)
13	Deferred Maintenance	(\$11,600,000)
14	Bond Program Contingency	(\$15,645,000)

2015 TOTAL REDUCTION: \$155,408,796

2017 TOTAL REDUCTION: \$27,998,500

2018 PROPOSED REDUCTION \$80,691,489

Note: Some of the 2015 reductions have had increases in 2017

	2017	Decrease
1	Sankofa Expansion Project (From K-5 to K-8)	(\$4,000,000)
2	School Kitchens 1 & 2	(\$4,000,000)
3	Paving and Infrastructure	(\$219)
4	Turf Field Replacement - Skyline HS	(\$500,000)
5	ISS Fund	(\$8,000,000)
6	Security Improvement District Wide	(\$1,000,000)
7	Fruitvale ES Bleachers/Restrooms	(\$300,000)
8	Joaquin Miller ES Playstructure	(\$8,281)
9	Carter @ Oakland International High School Turf Replacement	(\$1,000,000)
10	Burbank ES Site Improvements	(\$200,000)
11	Furniture, Fixtures and Equipment (FF&E)	(\$3,000,000)
12	Bond Program Coordination	(\$5,990,000)

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