

Audit Findings Update Tracker			
	CONTEXT	UPDATES/IMPROVEMENTS	REPORTED DATE
2019 - 001, Audit Adjustments			
2019 - 002, Stale Dated Warrants	The District has \$233K in stale dated warrants that needs to be either cleared and returned to respective bond measures or classified as escheat property and returned to the California State Controller	The Stale dated warrants have been cleared from the audited total of \$233K to \$173K. Staff is continuing with the research and resolution of the remaining items. Reported 8-14-20	REPORTED 8.14.20
	CONDUCT AND PERFORMANCE AUDIT (CAPA)		
CAPA No 1.	The ballot language addresses projects at the District and school site level; however, particular expenditures are not explicit to the Bond Language	In order to minimize conflicts arising from the interpretation of the ballot language. The Citizens Board Oversight Committee's recommendation was recently adopted. Reported 8-14-20	REPORTED 8.14.20
CAPA No 2.	The District does not have a documented basis for distributing salary between the narrow category of bond compliant construction projects, and routine school facilities administrator expenses.		Work In Progress
	ADHERENCE TO DESIGN AND CONSTRUCTION COST BUDGETS		
Observation 1.1	Policies and Procedures covering the process for developing and adhering to design and construction budgets are not current and are not followed in practice.	The Department has updated the Policies and Procedures Manual. All recommended changes have been addressed and are being implemented. Reported 8-14-20	REPORTED 8.14.20
Observation 1.2	The District's policy over Facilities Master Plan (FMP) is not being followed at to the frequency of updates.	Facilities Master Plan has been updated and completed 5-20	9-11 Updates
	ADHERENCE TO DESIGN AND CONSTRUCTION SCHEDULES AND TIMELINES		Work In Progress
Observation 2	The District does not include expenditures by timeframe based on project forecasts to validate that sufficient funding is available to meet the financial requirements of Measure J objectives.	On a monthly basis Facilities reports to Bond oversight committee. The department provides this information. To assist See 3.1 To improve the Reporting Sysyem, the department has procured a new. Accounting and Reporting Software from Colbi Technologies. The contract was Board approved on 8-24-20	9-11 Updates
	FINANCIAL REPORTING & INTERNAL CONTROLS		
Observation 3.1	Financial Reporting lacked adequate details for critical stakeholders to analyze the schedule and budgetary information at the program and project level.	To improve the Reporting Sysyem, the department has procured a new. Accounting and Reporting Software from Colbi Technologies. The contract is currently pending Board approval. Reported 8-14-20	REPORTED 8.14.20
	PAYMENT PROCEDURES		
Observation 4.1	Payment Application packages were incomplete		Work In Progress
Observation 4.2	Construction quality control documentation was incomplete		Work In Progress
	CHANGE ORDER AND CLAIM PROCEDURES		
Observation 5.1	Policies lacked claims avoidance considerations, evidence preservation to limit exposure.		Work In Progress
Observation 5.2	The policies and procedures surrounding change order review and acceptance are inconsistently applied and incomplete.	To assist with inconsistencies The departemnet has implemented a reporting structure to the Facilities Committee and Bond Oversight committee to report meaningful change orders in a timely fashion to key stakeholders.	9-11 Updates
Observation 5.3	There is not a defined policy for reporting of meaningful change orders to key stakeholders.	The departemnet has implemented a reporting structure to the Facilities Committee and Bond Oversight committee to report meaningful change orders in a timely fashion to key stakeholders.	9-11 Updates

Observation 5.4	Change Orders are often classified as "error and omissions" due to the architect's drawings, not including all specifications.		Work In Progress
BIDDING AND PROCUREMENT PROCEDURES			
Observation 6.1	The policies and procedures surrounding procurement are out-of-date and incomplete	See observation 1.1 Policies and procedure manual has been updated	9-11 Updates
Observation 6.2	The District was unable to provide complete competitive solicitation documentation for three public works projects.		Work In Progress
Observation 6.3	Contract documents - The District did not provide complete contract documentation for 5 out of 33 sampled contracts, or 33 percent.	The district's legal department has recently completed a two-day mandatory Contracts and Procurement training for all staff associated with the Bond Program. Reported 8-14-20	REPORTED 8.14.20
BEST PRACTICES FOR PROCUREMENT OF MATERIALS AND SERVICES			
Observation 7	The District's Standardized items list for Bond Program materials procurement is not current and is potentially not complete.	Facilities has updated it's Design standards and policies and procedure manual	Work In Progress
BEST PRACTICES FOR PROCUREMENT OF MATERIALS AND SERVICES			
Observation 8 and 9.1	The District did not provide a conflict of Interest disclosures for specific management positions defined in the Distric's board policy within the facility department.	ALL Facilities staff members have completed the mandated Conflict of Interest forms for the fiscal year. Reported 8-14-20	REPORTED 8.14.20
Observation 8 and 9.2	Policies and Procedures were not centrally located, did not define roles and responsibilities, and the process for updating manuals was not documented as of June 30, 2019.	See 1.1 The Department has updated the Policies and Procedures Manual. All recommended changes have been addressed and are being implemented. Reported 8-14-20	9-11 Updates

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
Terms and Definitions

Table 1 below provides a list of terms and acronyms used within this report.

Table 1: Terms & Acronyms

TERM/ACRONYM	DEFINITION
Accounting	OUSD Facilities and Maintenance accounting department or staff
Architect/AOR	Architect of Record
B&G	OUSD Building and Grounds
Board	OUSD Board of Education
CBOC	Citizens Bond Oversight Committee
Consultant	A consultant, contractor, or other entity, contracted with OUSD for consulting services.
Contractor	A consultant, contractor, or other entity, contracted with OUSD for construction services
Contracts/Procurement	OUSD department or staff responsible for advertising contracts for professional or construction services
CM	Construction Manager, OUSD representative
DGS	Department of General Services
District	Oakland Unified School District
DSA	Division of State Architect
Deputy Chief	Deputy Chief of the OUSD Planning, Facilities, and Maintenance
Director	Director of OUSD Planning, Facilities, and Maintenance
Executive Director	Executive Director of OUSD Planning, Facilities, and Maintenance
Facilities Committee	A committee of the Board as identified in Board Bylaws 9130
IOR	Inspector of Record
Labor Compliance	OUSD department or staff responsible for monitoring contractor's compliance with labor regulations and requirements, including prevailing wage
LBU	Local Business Utilization
Legal	OUSD attorney
PM	Project Manager, OUSD representative
OAC Meeting	Weekly Owner, Architect, and Contractor meeting
OUSD	Oakland Unified School District

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TERM/ACRONYM	DEFINITION
	Terminator. This symbol marks the starting or ending point of the process with the action described.
	Process Step. This symbol can represent a single step or entire sub-process within a more extensive process.
	Document. This symbol represents a printed document. (i.e., form, letter, report)
	Database. This symbol represents a system for data storage and retrieval.
	Condition. This symbol represents a decision point for options. Lines representing different decisions emerge from different points of the diamond.
	Pre-defined Process. This symbol represents a sequence of actions described in a different process area (i.e., outside of this Process Flow).
	Single arrow connector. The arrow tip represents the next-step direction.

OUSD PROCEDURES MANUAL

I. INTRODUCTION

This document is an update to Oakland Unified School District’s procedures manual in accordance with to ensure compliance with best practices management of bond-funded projects.

As part of a Measure J and Measure B Construction Bond Funds Performance Audit, the District received several recommendations to enhance the effectiveness and efficacy of internal controls. In response, the District had engaged an outside law firm to review the District’s standard architectural services and construction services documents. This work included the review of procurement documents, contract documents, and project management and contract administration forms. The effort led to updates and revisions to these documents. The District then engaged a Consultant to update the procedures to reflect the new documents and other existing District processes.

We conducted interviews and collaborative meetings with Project Managers, accounting staff, procurement staff, project controls staff, and others as part of this manual update. The updated processes and workflow documents reflect the existing processes, incorporating the new documents, and incorporate best practices. The scope of the bond program procedures manual includes initial planning through closeout of projects.

The manual also takes into consideration the California Department of Education’s Guiding Principles for Public School Facilities.

Three distinct major processes comprise the Bond Program: Planning, Delivery, and Reporting.

Figure 1: Program Overview



This manual addresses each of these major processes in detail for District staff, Consultants, and Contractors for consistent management and delivery of projects. This manual outlines the major roles and responsibilities for a high functioning facilities improvement program and incorporates best practices. This manual is not a desktop procedure that outlines day to tasks performed by staff and Consultants. The manual is also not policy. The District’s published policies supersedes any procedure that may appear inconsistent with existing policies or appears to modify or set policy.

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II. PLANNING



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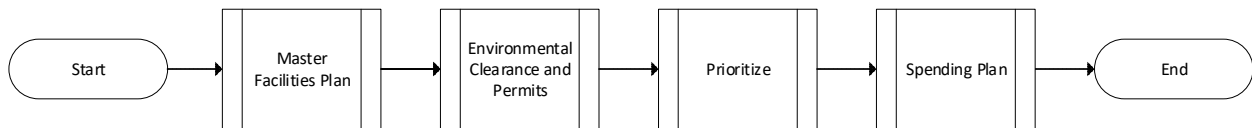
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The following factors shall be considered in the planning of District facilities to provide the best possible physical environment for learning and teaching.

- Facilities shall accommodate the educational needs of students and be consistent with the educational philosophy and instructional goals of the District.
- Facilities shall meet or exceed all health, safety, and welfare regulations.
- The District shall seek state and federal money when necessary to supplement its financial resources.
- Undesirable environmental impact shall be minimized.
- Changing demographic factors shall be monitored so that students' needs are met.

The District utilizes a four-step planning process. First, a Master Facilities Plan is prepared by Consultants and approved by the Board. Next, environmental assessments and clearance are performed by Consultants for the work identified in the Master Facilities Plan. OUSD Facilities and Maintenance then prioritize the work as approved and cleared. Finally, a spending plan is prepared by the Deputy Chief and approved by the Board.

Figure 2: Planning

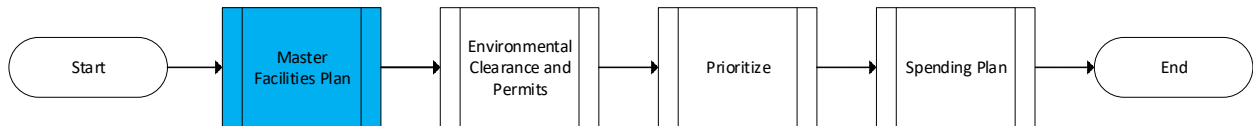


The following sections describe further details about each of the four major steps.

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II.A. MASTER FACILITIES PLAN



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MASTER FACILITIES PLAN

The District develops a Master Facilities Plan to manage future facility needs efficiently. The plan shall cover a multi-year period, shall be developed in conjunction with the local comprehensive land-use plan and other growth management policies, shall be reviewed annually, and shall include at least the following:

- A life cycle cost analysis of the financial ability of the District to implement its facilities program;
- Existing and projected enrollment figures;
- An inventory of the District's facilities and undeveloped property, an analysis of the number of students in each facility, and an analysis of over or under crowding;
- An analysis of the appropriateness of the facilities to meet the needs of all students and members of the public, all District services, programs, and activities; accessibility to individuals with disabilities; and appropriate for students;
- Recommendations as to the sale or other disposition of District property not needed in the future; and
- Recommendations as to the acquisition, construction, or modification of new sites or facilities and of how such will better meet the needs of students and the educational program.

Process

The Consultant begins by Forecasting Needs. Forecasting Needs involves information gathering; program assessments; and coordination with District staff, principals, and other stakeholders. Specifically, the Consultant shall review the Guiding Principles, Deferred Bond Projects, Seismic and other data, Deferred Maintenance, Blueprints, and Community Input. The Consultant shall forecast the needs of the District, including enrollment. The Consultant shall validate the information and shall perform program assessments.

Next, the Consultant shall perform facility condition assessments. The Consultant shall perform on-site visits and visual assessments of each District facility to verify its existing condition and determine any need for updates or improvements. Existing facilities shall be assessed in terms of its size, capacity, and location in relation to changing population patterns, modifications currently underway, and compliance with state health and safety regulations, including codes and accessibility to persons with handicapping conditions.

After Forecasting Needs and performing Facility Condition Assessments, the Consultant shall present findings to the District and work with the Deputy Chief and Executive Director to develop concept plans and perform a Feasibility Study. The Feasibility Study shall include site assessments and selection, review of governmental constraints, sustainability rating review, and economic feasibility. Once the recommendations and directions from the District are incorporated, the initial planning work is complete.

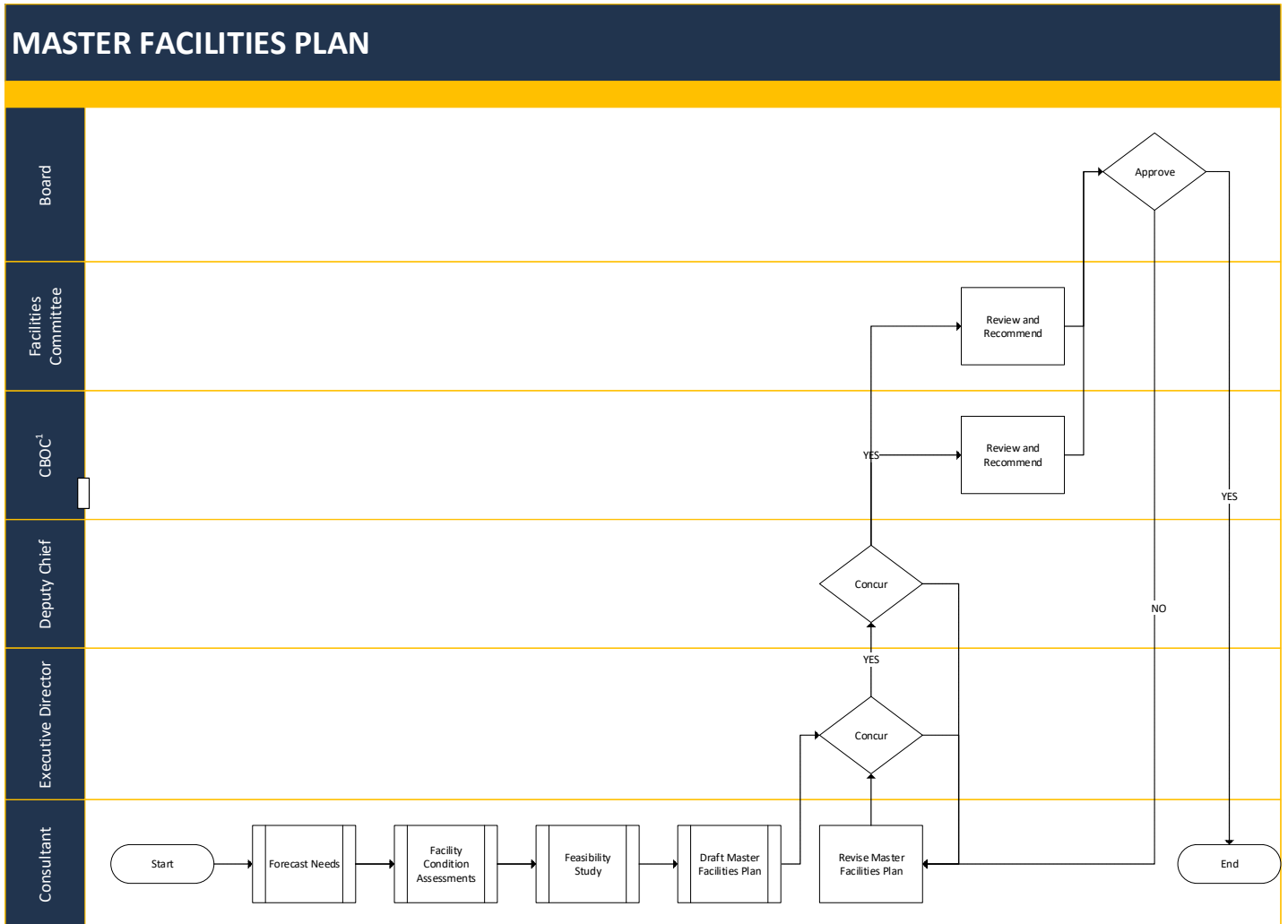
Next, the Consultant shall prepare a draft of the Master Facilities Plan for review and approval. The Executive Director and Deputy Chief review the Master Facilities Plan and concur or request revisions as necessary. The Deputy Chief and Executive Director reviewed draft is presented to

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the Facilities Committee and the CBOC liaison for review. Finally the Master Facilities Plan is presented to the Board for approval.

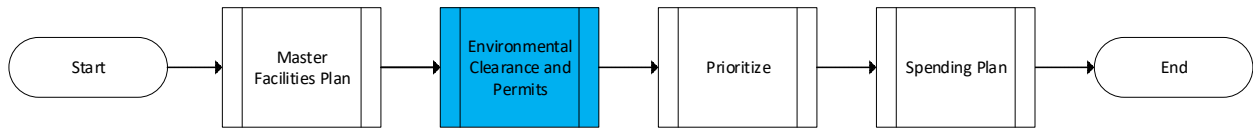
Figure 3: Master Facilities Plan



¹ The CBOC will receive the documentation at the same time as the Facilities Committee. The CBOC review and recommendations are limited to the impacts to projects paid for by bond funds. If the CBOC elects to make recommendations to the Board, the Approval of Master Facilities Plan may be delayed to the following Board Meeting.

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II.B. ENVIRONMENTAL CLEARANCE AND PERMITS



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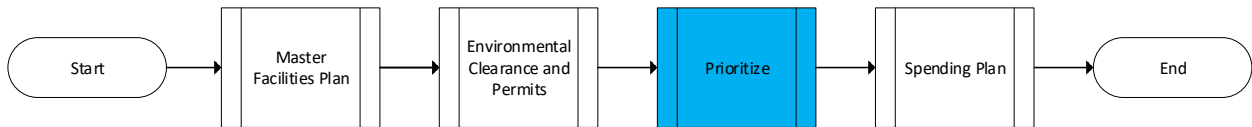
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ENVIRONMENTAL CLEARANCE

The District must comply with all California Environmental Quality Act requirements. The District typically utilizes a Consultant to facilitate assessment, studies, outreach, and other requirements before commencing construction. The detailed process of environmental compliance is beyond the scope of this manual.

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II.C. PRIORITIZE



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PRIORITIZE

The District seeks to equitably and transparently recommend bond projects in alignment with the District's priorities. In compliance with Board Administrative Regulation 7112, the District gathers and reviews data to make informed decisions, identifies eligible projects, declares projects, recommends minimum allocations of resources, and utilize the prioritization scoring tool.

Process

Gather and Review Data

Review District planning and design guideline documents, including but not limited to: the OUSD Strategic Regional Analysis (SRA), Facilities Master Plan, Asset Management Plan and Policy, OUSD Collaborative for High-Performance Schools Guidelines, Strategic Plan and Priorities, Measure N planning documents, Intensive Support School Proposal documents, Prop. 39 space allocation documents, Programs for Exceptional Children Strategic Roadmap, relevant board policies and resolutions, bond project scopes, and successor documents created for similar strategic planning purposes but identified by different names.

Identify Potential Bond Eligible Projects

The project identification and engagement mechanisms may include but are not limited to: projects identified in the Bond Language; ongoing Facilities Division bond or other ongoing projects lists; projects identified in the Facilities Master Plan or Asset Management Plan; online and paper surveys; focus groups; physical walk-throughs of buildings and grounds; meetings with external experts and community leaders; community working sessions; facilitated dialogues.

To ensure the active participation of all school communities, the school Site Councils (SSC) work with the school site leadership to identify site facilities needs and document those needs in the Site Plan for Student Achievement (SPSA). School leaders submit the facilities' needs on the Bond Prioritization Submission Form to the Network Supervisor. The Network Supervisor reviews the form and signs off as the project sponsor and submits the form to the Facilities Review Team.

Facilities Department staff shall categorize projects by project type. For example, Field Projects, Seismic, Mechanical, Infrastructure, Modernizations, and New Construction.

Declare Projects

The Network Supervisors and Facilities Department Leads bring all needs to the Executive Cabinet for project declaration and categorization by the first week in May. Each project can be described by project identifiers, grouped and sorted by project characteristics.

Minimum Allocation of Resources

The staff brings a recommendation to the Board to establish a minimum allocation of resources to implement the recommended projects.

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Prioritization Scoring Tool

Utilize a simple Prioritization Scoring Tool with appropriate Criteria and weighting of Criteria, to score each proposed project on the list.

Convene and train a multi-stakeholder group of no more than 15 reviewers to score projects in a consistent and transparent way, ensuring each reviewer has adequate time and access to review all content documents. The scoring process will be open to the general public and not a closed process.

Score each project (1 through 5 points) according to each of the following criteria:

- Safety/Compliance
- Strategic Plan & District Priorities
- Value to the Community and District
- Equity (Based on a facility needs assessment and District standard of care)
- Urgency (Critical projects, necessary projects, or desirable projects)
- Leverage potential (i.e. potential to leverage other state, federal or private funding sources, which may be time-sensitive)

Sort the projects by highest to lowest total score by project type

Prioritize the highest scored projects until the minimum allocation percentage is reached

Sort all remaining projects from highest to lowest regardless of type

Prioritize until 80 percent of unallocated bond dollars have been allocated (reasonable construction allowable bond dollars have been met)

Develop work plan sequence recommendation based on magnitude, scheduling and other considerations.

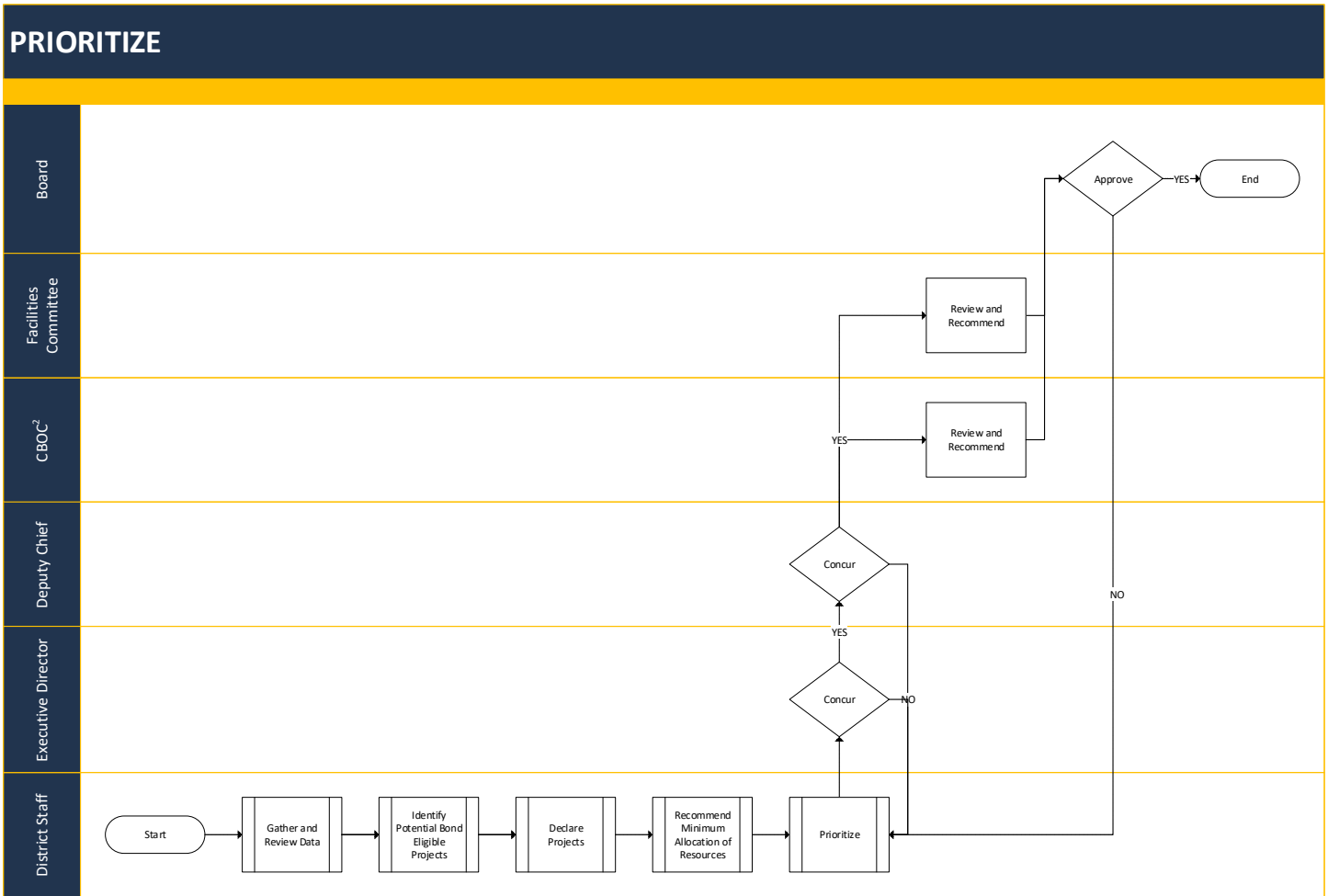
The Executive Director and Deputy Chief will review the Prioritization and concur or request revisions as necessary. The Prioritization is presented to the Facilities Committee and the CBOC liaison for review. Finally the Master Facilities Plan is presented to the Board for approval.

Present the recommendation for approval at a regular Board meeting by June 30th.

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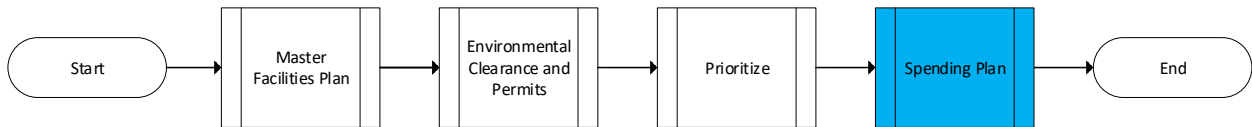
Figure 4: Prioritize



² The CBOC will receive the documentation at the same time as the Facilities Committee. The CBOC review and recommendations are limited to the impacts to projects paid for by bond funds. If the CBOC elects to make recommendations to the Board, the Approval of Master Facilities Plan may be delayed to the following Board Meeting.

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II.D. SPENDING PLAN



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SPENDING PLAN

The Spending Plan provides specific details to ensure consistency with immediate and long-range goals; availability of resources; and established priorities within the bond program.

The Spending Plan must be reviewed by the Citizens Bond Oversight Committee and Facilities Committee before presentation to the Board for adoption. The Spending Plan shall provide for both anticipated revenues and allocations for risks.

Process

The Deputy Chief provides direction to Accounting on the Spending Plan taking into consideration the Prioritization of the Master Facility Plan.

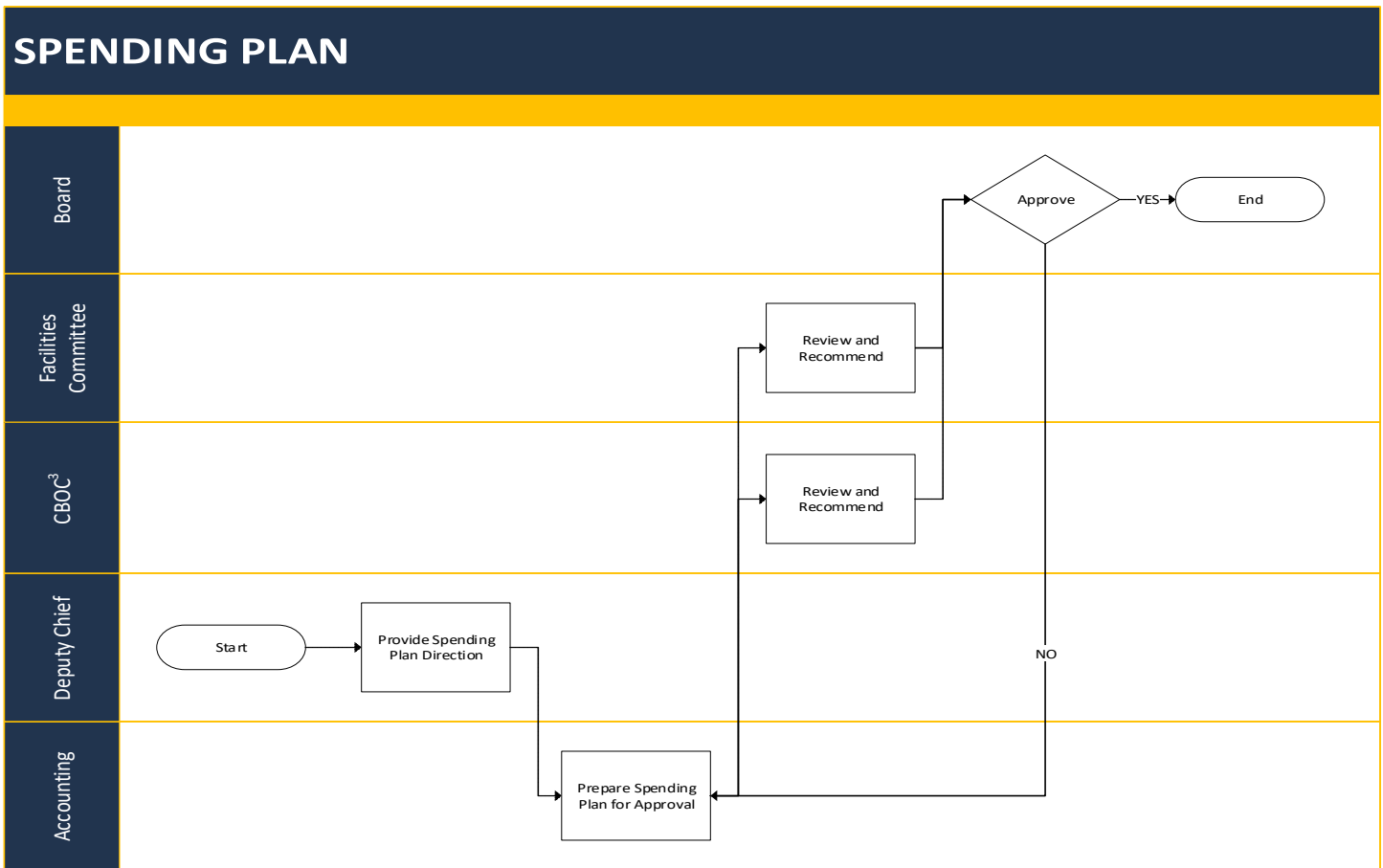
Accounting shall prepare the Spending Plan and route for review to the Citizens Bond Oversight Committee and Facilities Committee. Finally the Spending Plan will be presented to the Board for approval.

With the adoption of the Spending Plan by the Board, the planning process is complete.

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Figure 5: Spending Plan



On occasion, changes to the spending plan are necessary. The process is detailed below.

Process

The Executive Director requests a change to the Spending Plan.

Accounting prepares a discussion draft and coordinates the review of the proposed changes with the Director and Project Manager(s). Accounting then compares the proposed changes to the anticipated revenue.

Accounting shall prepare the revised Spending Plan and route to the Executive Director and Deputy Chief for concurrence or revisions as necessary.

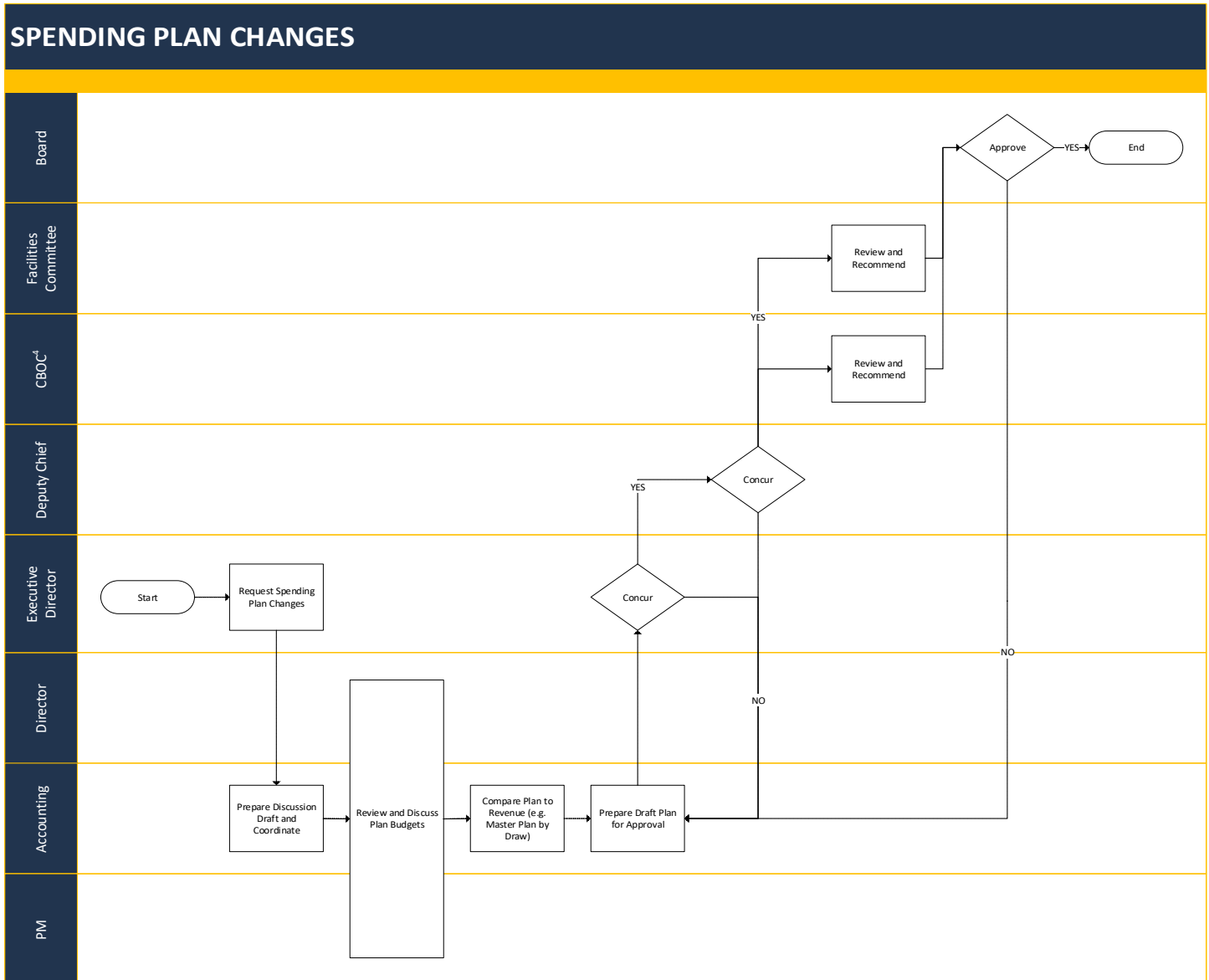
³ If the CBOC elects to make recommendations to the Board, the Approval of Master Facilities Plan may be delayed to the following Board Meeting.

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The revised Spending plan is presented to the Facilities Committee and the CBOC liaison for review. Finally the revised Spending Plan is presented to the Board for approval.

Figure 6: Spending Plan Changes



⁴ If the CBOC elects to make recommendations to the Board, the Approval of Master Facilities Plan may be delayed to the following Board Meeting.